

Financial Services Authority

# Handbook Notice 107

**Board Meeting: 24 February 2011**

**Notice published: 25 February 2011**



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**Annex A** List of instruments made or approved by the Board on 9 and 24 February 2011

**Annex B** Table of Handbook modules showing amending instruments:

- Handbook modules
- modules outside the Handbook

**Annex C** Guidance Notes issued by the FSA

**Annex D** Handbook provisions not yet in force

**Annex E** What's New?

## Handbook Notice 107

This Handbook Notice introduces the Handbook and other material made by the Board under its legislative powers on 9 and 24 February 2011. It also contains 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:

Nick Walker  
Handbook Editor  
Tel: 020 7066 3176  
Email: [nick.walker@fsa.gov.uk](mailto:nick.walker@fsa.gov.uk)

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

Tel: 0845 606 9966  
Fax: 020 7066 0991  
Email: [fcc@fsa.gov.uk](mailto:fcc@fsa.gov.uk)

Post: Firm Contact Centre  
Financial Services Authority  
25 The North Colonnade  
Canary Wharf  
London E14 5HS

# 1 Overview

## Legislative changes this month

### The Handbook

- 1.1 On 9 February 2011 the FSA Board made changes to the Handbook in two instruments which:
  - provide the authorisation and registration application fees, and the periodic fee structure, for electronic money issuers under the second Electronic Money Directive (FSA 2011/6);
  - make changes to the to enable us to discharge our new responsibilities under the Electronic Money Regulations (FSA 2011/7).
- 1.2 On 24 February 2011 the FSA Board made changes to the Handbook in six instruments which:
  - clarify the rules regarding the elimination of reciprocal financing in the calculation of group capital resources for insurers (FSA 2011/8);
  - amend the Code of Market Conduct so it is consistent with the decision of the European Court of Justice in the *Spector* case regarding Article 2 of the Market Abuse Directive (FSA 2011/9);
  - make a new rule that an authorised firm must not pay a financial penalty imposed on an employee, and update the FSA's guidance on the approach it takes to enforcement (FSA 2011/10);
  - align the requirements to the winding up or termination of an authorised unit trust and make clear the FSA's expectations on reporting during this process (FSA 2011/11);
  - require insurers that write employers' liability insurance to publish relevant policy details so that potential claimants can trace relevant insurers and claim compensation (FSA 2011/12); and
  - provide guidance for deposit-takers in relation to exercising a right of set-off (FSA 2011/13).

- 1.3 These instruments are all listed in Annex A.

### **Changes outside the Handbook**

- 1.4 Changes have been made this month to the Perimeter Guidance manual (PERG), the Enforcement Guide (EG) and the Building Societies Regulatory Guide (BSOG).

### **Description of changes**

- 1.5 The legislative changes referred to above are listed and briefly described in Chapters 2 and 3 (where appropriate) of this Notice.

### **Feedback on responses to consultations**

- 1.6 Chapters 2 and 3 (where appropriate) contain brief references to the consultative stages of the new legislative material made by the Board this month. The material referred to in those chapters was consulted on in the following documents:

- CP10/13 *Tracing employers' liability insurers* (June 2010);
- Chapter 7 of CP10/15 *Quarterly consultation (No 25)* (July 2010);
- Chapters 4, 6 and 11 of CP10/22 *Quarterly consultation (No 26)* (October 2010);
- CP10/23 *Decision Procedure and Penalties manual and Enforcement Guide review* (October 2010);
- Chapter 2 of CP10/24 *Regulatory fees and levies: policy proposals 2011/12* (October 2010); and
- CP10/25 *Implementation of the second Electronic Money Directive: supplement to HM Treasury's consultation* (October 2010).

- 1.7 Feedback on responses to the consultations in CP10/24 and CP10/25 has already been published.<sup>1</sup> Feedback on the responses to CP10/13 and CP10/23 is being published in separate Policy Statements, and feedback in relation to the other consultations listed above is set out in Chapter 4 of this Notice. Also included in Chapter 4 is an additional feedback statement in respect of Chapter 9 of CP10/22; this supplements the feedback contained in HN106 (January 2011).

### **Annexes to this Notice**

- 1.8 The Annexes to this Handbook Notice contain:
- a list (Annex A) of the formal instruments made by the Board this month which make changes to the Handbook and to related materials;
  - tables (Annex B) identifying the instruments by which each module of the Handbook has been amended;

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<sup>1</sup> see PS11/2 *Implementation of the 2nd Electronic Money Directive* (February 2011) and CP11/2 *Regulatory fees and levies: – Rates proposals 2011/12* (February 2011).

- a table showing Guidance Notes issued by the FSA (Annex C);
- a table (Annex D) which lists, as a reminder to firms, those Handbook provisions yet to come into force; and
- a ‘What’s New?’ list (Annex E) which provides a brief description by module of the instruments made this month.

### **Making corrections**

- 1.9 The FSA 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**

- 1.10 This Notice is published on the FSA website and is available in hardcopy.
- 1.11 The formal legal instruments (which contain details of the changes) can be found on the FSA’s website listed by date and reference number at <http://fsahandbook.info/FSA/InstrumentsByDate.jsp> or listed by module at <http://fsahandbook.info/FSA/InstrumentsByModule.jsp>. The definitive version of the Handbook at any time is the version contained in the legal instruments.
- 1.12 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.
- 1.13 The consolidated text of the Handbook can be found on the FSA’s website at <http://fsahandbook.info/FSA/html/handbook/>.
- 1.14 Copies of the FSA’s consultation papers referred to in this Notice are available on the FSA’s website or on request in hardcopy form.

### **Obligation to publish feedback**

- 1.15 This Notice, and the feedback to which paragraph 1.7 refers, fulfil for the relevant text made by the Board the obligations in sections 155(5) and (6) 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 FSA’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.

### **Comments**

- 1.16 We always welcome feedback on the way we present information in the Handbook Notice, including its Annexes. If you do have any comment, this should be sent to Nick Walker (Handbook Editor) (see contact details at the front of this Notice).

# 2 Handbook changes made by the Board

## Introduction

- 2.1 This chapter briefly describes Handbook changes made on 9 and 24 February 2011 by the Board. Where relevant, it also refers to the development stages of that material, enabling readers to look back at developmental documents if they wish.

## GLOSSARY

*Fees (Electronic Money Application Fees) Instrument 2011 (FSA 2011/6)*

- 2.2 For the changes made to the Glossary by this instrument, see paragraphs 2.16 to 2.19 of this Notice.

*Electronic Money and Payment Services Instrument 2011 (FSA 2011/7; FOS 2011/1)*

- 2.3 Following consultation in CP10/25<sup>2</sup>, the Board on 9 February 2011 made the following changes to the Handbook:

### **Changes to Glossary:**

***Addition of definitions of “authorised electronic money institution”, “average outstanding electronic money”, “EEA authorised electronic money institution”, “EEA branch of an authorised electronic money institution”, “Electronic Money Directive”, “electronic money institution”, “electronic money issuer”, “Electronic Money Regulations”, “issuing electronic money”, “passport right” and “small electronic money institution”***  
***Changes to definitions of “agent”, “base currency”, “CAD investment firm”, “Compulsory Jurisdiction”,***

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2 CP10/25 *Implementation of the second Electronic Money Directive: supplement to HM Treasury’s consultation* (October 2010)



*“consumer credit activity”, “credit institution”, “electronic money”, “financial institution”, “foreign currency”, “FSA Register”, “immediate group”, “incoming ECA provider”, “initial capital”, “insurance holding company”, “investment management firm”, “lower tier two capital”, “material holding”, “own funds”, “participant firm”, “participation”, “payment service provider”, “personal investment firm”, “qualifying debt security”, “respondent”, “securities and futures firm”, “tier one capital”, “tier two capital” and “upper tier two capital”*

*Deletion of definitions of “absolute FX exposure limit”, “consolidated sub-group”, “consumer e-money card”, “consumer e-money device”, “consumer e-money holder”, “daily e-money outstandings amount”, “EEA consolidated group”, “EEA financial parent undertaking”, “EEA group large exposure”, “EEA group risk own funds”, “EEA group risk own funds requirement”, “ELM”, “ELM financial rules”, “ELMI”, “e-money”, “E-Money Directive”, “e-money electronic device”, “e-money firm”, “e-money float”, “e-money float exposure”, “e-money issue price”, “e-money issuer”, “e-money outstandings”, “e-money scheme rules”, “financial services undertaking”, “FX exposure”, “FX exposure limit”, “granting an e-money permission”, “group of closely related counterparties”, “issuing e-money”, “large e-money float exposure”, “net FX open currency position”, “own funds requirement”, “qualifying liquid asset”, “redemption right”, “regulatory capital resources”, “relevant financial services company”, “reportable large exposure”, “small e-money issuer”, “small e-money issuer certificate”, “sufficiency liquid”, “UK consolidated group”, “UK financial parent undertaking”, “UK group large exposure”, “UK group risk own funds”, “UK group risk own funds requirement”, “zero weighted asset” and “Zone A credit institution”*

**Changes:**

*Changes to PRIN 3.1.8G*

*Changes to SYSC 12.1.1R, 12.1.14R and 12.1.15R*

*Change to COND 2.1.1UK*

*Deletion of COND 2.1.3G*

*Change to GEN 1.3.1G*

*Changes to GEN 5.1.1G*

*Changes to GEN 5 Annex 1G*

*Changes to GEN Sch 4*

*Changes to GENPRU 3 Annex 1R*

*Changes to BIPRU 8.1.1R*

*Addition of COBS 1.1.1BR*

*Addition of COBS 4.1.1AR*

*Addition of COBS 4.4.3R*

*Changes to COBS 15.1.1G*

*Change to COBS 15.2.1R*

*Changes to COBS TP 2*

*Changes to SUP 3.1.2R*

*Changes to SUP 13A Annex 1G*

*Changes to SUP 15.4.1R*

*Addition of SUP 16.1.1BD*

*Changes to SUP 16.1.3R*

*Changes to SUP 16.3.2G*

*Changes to SUP 16.6.2G, 16.6.4R and 16.6.5R*

*Changes to SUP 16.12.4R, 16.12.5R and 16.12.7R*

*Addition of SUP 16.13.2AG*

*Changes to SUP 16.13.3D*

*Addition of SUP 16.13.3AD and 16.13.3BR*

*Addition of SUP 16.15 (SUP 16.15.1G, 16.15.2G, 16.15.3G, 16.15.4D, 16.15.5D, 16.15.6D, 16.15.7R and 16.15.8D)*

*Addition of SUP 16 Annex 30D, 16 Annex 30AD, 16 Annex 30BD, 16 Annex 30CD, 16 Annex 30DD, 16 Annex 30ED, 16 Annex 30FD and 16 Annex 30GD*

*Changes to SUP Appendix 1*

*Addition of SUP TP 1.6*

*Changes to SUP Sch 4*

*Changes to DEPP 2 Annex 1G*

*Changes to DISP Introduction*

*Changes to DISP 1.1.2G and 1.1.10BG*

*Addition of DISP 1.1.10CR and 1.1.10DG*

*Changes to DISP 1.1.12R*

*Changes to DISP 1 Annex 2G*

*Changes to DISP 2.1.1G*

*Addition of DISP 2.3.2BR*

*Changes to DISP 2.3.3G*

*Changes to DISP 2.5.1R*

*Changes to DISP 2.6.1R and 2.6.2G*

*Changes to DISP 2.7.6R and 2.7.9R*

*Changes to DISP 2 Annex 1G*

***Deletion of ELM Chapters 1 to 8  
Deletion and replacement of ELM TP 1***

***Changes to PERG 1.4.2G***

***Changes to PERG 2.6.3G and 2.6.4AG***

***Changes to PERG 2.7.2AG and 2.7.21G***

***Deletion of PERG 2.8.2AG***

***Changes to PERG 2.9.1G***

***Deletion of PERG 3***

***Addition of PERG 3A:***

***Addition of PERG 3A.1 (Q1)***

***Addition of PERG 3A.2 (Q2 to Q7)***

***Addition of PERG 3A.3 (Q8 to Q16)***

***Addition of PERG 3A.4 (Q17 to Q25)***

***Addition of PERG 3A.5 (Q26 to Q28)***

***Addition of PERG 3A.6 (Q29)***

***Addition of PERG 3A.8 (Q30 to Q31)***

***Changes to PERG 8.7.2G***

***Changes to PERG 15.2 Q1, Q5 and Q8***

***Changes to PERG 15.4 Q30***

***Change to BSOG 1.1.3G***

***Addition of EG 19.104 to 19.117***

- 2.4 The Electronic Money Regulations (EMRs) implement the second Electronic Money Directive (2EMD)<sup>3</sup>, a new European Union directive that requires member states to make adjustments to how electronic money (e-money) is regulated by 30 April 2011 (we have regulated the issuance of e-money since 2002).
- 2.5 HM Treasury consulted on the implementation of 2EMD through the EMRs in October 2010. Briefly, the EMRs introduce a few conduct requirements for all electronic money issuers and new authorisation and prudential standards for authorised electronic money institutions (authorised EMIs) and small electronic money institutions (small EMIs), although some small EMIs fall outside the new capital requirements. The EMRs also give the FSA the powers it needs as the competent authority for the new regulatory regime.
- 2.6 The instrument made by the Board makes changes to the Handbook, the Enforcement Guide (EG) and the Perimeter Guidance manual (PERG) to enable us to discharge our new responsibilities under the EMRs. In essence the changes are to:
- Chapter 3 of the Perimeter Guidance manual (PERG) to help businesses consider whether they fall within the scope of the EMRs;
  - the Supervision manual (SUP) in order to:
    - o create reporting requirements for EMIs;

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3 Directive 2009/110/EC of the European Parliament and of the Council of 16 September 2009 on the taking up, pursuit and prudential supervision of the business of electronic money institutions.

- o create a requirement for electronic money issuers that do not need to be authorised or registered (e.g. the Bank of England) to report to us on a half-yearly basis their average outstanding e-money in issue; and
- o allow for a late return administrative charge to be applied to EMIs and payment institutions when necessary.
- the jurisdiction of the ombudsman service so that it can perform the out-of-court redress function as required by the 2EMD;
- the Dispute Resolution: Complaints sourcebook (DISP) of the Handbook so that our complaints handling rules apply to small EMIs and other electronic money issuers newly brought into the ombudsman service's jurisdiction. Electronic money issuers (except credit institutions) will not, however, have to record their complaint data or report it to us;
- the Decision Procedure and Penalties Manual (DEPP) and the Enforcement Guide to explain our approach to enforcement of the EMRs. The EMRs give us an enforcement regime broadly similar to the Act;
- extend the licence permitting use of the FSA logo in a letter or electronic equivalent to authorised EMIs only and not to small EMIs or incoming EEA passporting EMIs.

2.7 This instrument was made jointly by the FSA and by the Board of the Financial Ombudsman Service.

2.8 Parts of this instrument came into force on **10 February 2011**; other parts come into force on **30 April 2011** and **30 April 2012**. Feedback on this consultation was published recently in PS11/2.<sup>4</sup>

*Decision Procedure and Penalties Manual and Enforcement Guide  
(Amendment No 2) Instrument 2011 (FSA 2011/10)*

2.9 For the changes made to the Glossary by this instrument, see paragraphs 2.49 to 2.53 of this Notice.

*Banking: Conduct of Business Sourcebook (Amendment No 2) Instrument  
2011 (FSA 2011/13)*

2.10 For the changes made to the Glossary by this instrument, see paragraphs 2.36 to 2.40 of this Notice.

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<sup>4</sup> PS11/2 *Implementation of the 2nd Electronic Money Directive* (February 2011)

## **HIGH LEVEL STANDARDS**

### **Principles for Businesses (PRIN)**

*Electronic Money and Payment Services Instrument 2011 (FSA 2011/7; FOS 2011/1)*

- 2.11 For the changes made to PRIN by this instrument, see paragraphs 2.3 to 2.8 of this Notice.

### **Senior Management Arrangements, Systems and Controls sourcebook (SYSC)**

*Electronic Money and Payment Services Instrument 2011 (FSA 2011/7; FOS 2011/1)*

- 2.12 For the changes made to SYSC by this instrument, see paragraphs 2.3 to 2.8 of this Notice.

### **Threshold Conditions (COND)**

*Electronic Money and Payment Services Instrument 2011 (FSA 2011/7; FOS 2011/1)*

- 2.13 For the changes made to COND by this instrument, see paragraphs 2.3 to 2.8 of this Notice.

### **General Provisions (GEN)**

*Electronic Money and Payment Services Instrument 2011 (FSA 2011/7; FOS 2011/1)*

- 2.14 For the changes made to GEN by this instrument, see paragraphs 2.3 to 2.8 of this Notice.

*Decision Procedure and Penalties Manual and Enforcement Guide (Amendment No 2) Instrument 2011 (FSA 2011/10)*

- 2.15 For the changes made to GEN by this instrument, see paragraphs 2.49 to 2.53 of this Notice.

### **Fees manual (FEES)**

*Fees (Electronic Money Application Fees) Instrument 2011 (FSA 2011/6)*

- 2.16 Following consultation in Chapter 2 of CP10/24<sup>5</sup>, the Board on 9 February 2011 made the following changes to the Handbook:

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<sup>5</sup> CP10/24 *Regulatory fees and levies: policy proposals 2011/12* (October 2010)

**Changes to Glossary:**

**Addition of definition of “fee-paying electronic money issuer”**

**Changes to definition of “firm”**

**Changes to FEES 2.1.5G, 2.1.5AG and 2.1.11G**

**Change to FEES 2.2.3G**

**Changes to FEES 3.1.1R, 3.1.1AR, 3.1.2G and 3.1.4G**

**Addition of FEES 3.1.6BG**

**Changes to FEES 3.2.5G and 3.2.7R**

**Changes to FEES 3 Annex 1R**

**Addition of FEES 3 Annex 10R**

**Addition of FEES TP 6**

**Changes to FEES Sch 4**

- 2.17 This instrument provides the authorisation and registration application fees, and the periodic fee structure, for electronic money issuers under the second Electronic Money Directive. We are consulting on the actual periodic fee rates for 2011/12 in our consultation paper on *Regulatory fees and levies: – Rates proposals 2011/12*, published in February 2011 (CP11/02).
- 2.18 The application fees have been set at £5,000 for authorised electronic money institutions and at £1,000 for small electronic money institutions, which reflect our estimate of the costs of processing the applications. Existing authorised e-money institutions (currently known as ELMIs) which meet relevant conditions will be grandfathered into the new regime with no application fee because we already have the required information about them, but existing small e-money issuers will have to pay the full registration fee since the Electronic Money Regulations require us to assess additional material.
- 2.19 This instrument came into force on **10 February 2011**. Feedback on this consultation was set out in PS11/2 *Implementation of the 2nd Electronic Money Directive* (February 2011).

## **PRUDENTIAL STANDARDS**

### **General Prudential sourcebook (GENPRU)**

*Electronic Money and Payment Services Instrument 2011 (FSA 2011/7; FOS 2011/1)*

- 2.20 For the changes made to GENPRU by this instrument, see paragraphs 2.3 to 2.8 of this Notice.

## **Prudential sourcebook for Banks, Building Societies and Investment Firms (BIPRU)**

*Electronic Money and Payment Services Instrument 2011 (FSA 2011/7; FOS 2011/1)*

- 2.21 For the changes made to BIPRU by this instrument, see paragraphs 2.3 to 2.8 of this Notice.

## **Prudential sourcebook for Insurers (INSPRU)**

*Prudential Sourcebook for Insurers (Amendment No 2) Instrument 2011 (FSA 2011/8)*

- 2.22 Following consultation in Chapter 4 of CP10/22<sup>6</sup>, the Board has made the following changes to INSPRU:

**Changes:** *Changes to INSPRU 6.1.42AR*  
*Addition of INSPRU 6.1.42BG*

- 2.23 The purpose of the instrument is to clarify the rules in INSPRU 6 regarding the elimination of reciprocal financing in the calculation of group capital resources for insurers in the light of evidence that possible differences in accounting may result in the current rules not achieving our intended policy objective.
- 2.24 The instrument addresses the fact that there may be different instances of reciprocal financing, including circumstances where guarantees connected to capital transactions are given by the parent of an insurance group to a third party provider of capital to a group subsidiary, which effectively transfers the risk covered by that capital back into the group. Such circumstances exist with respect to capital requirements of some US subsidiaries of UK insurance groups.
- 2.25 The effect of the instrument is to ensure that intra-group creation of capital is eliminated in the calculation of group capital resources as required by the European Insurance Groups Directive. This may result in the need to replace ineligible capital or absorb it by publishing lower group capital numbers.
- 2.26 This instrument comes into force on **6 March 2011**. Feedback on the responses to consultation is set out in Chapter 4 of this Notice.

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<sup>6</sup> CP10/22 *Quarterly consultation (No 26)* (October 2010)

## BUSINESS STANDARDS

### Conduct of Business sourcebook (COBS)

*Electronic Money and Payment Services Instrument 2011 (FSA 2011/7; FOS 2011/1)*

- 2.27 For the changes made to COBS by this instrument, see paragraphs 2.3 to 2.8 of this Notice.

### Insurance: Conduct of Business sourcebook (ICOBS)

*Employers' Liability Insurance: Disclosure by Insurers Instrument 2011 (FSA 2011/12)*

- 2.28 Following consultation in CP10/13<sup>7</sup>, the Board has made the following changes to the Handbook:

**Changes:**

*Addition of ICOBS 8.4 (ICOBS 8.4.1R, 8.4.2G, 8.4.3G, 8.4.4R, 8.4.5G, 8.4.6R, 8.4.7R, 8.4.8E, 8.4.9R, 8.4.10G, 8.4.11R, 8.4.12G and 8.4.13R)*  
*Addition of ICOBS 8 Annex 1*  
*Changes to ICOBS TP 1 (addition of rows 7 to 13)*  
*Changes to ICOBS Sch 2*

*Changes to SUP 13A Annex 1G*

- 2.29 This instrument:
- (1) requires all general insurers with permission to carry out business in the UK to notify the FSA of whether they may be liable for commercial lines employers' liability claims; and
  - (2) requires insurers that may be so liable to publish a register of employers' liability policies to facilitate searches by claimants.
- 2.30 This instrument arises out of a request from the Department for Work and Pensions (DWP) in 2009, following a government review, for assistance in making it compulsory for insurers to provide information to support the DWP's policy on Employers' Liability Compulsory Insurance (ELCI). This followed an unsatisfactory number of consumers (3210 in 2008) failing in their attempts to trace insurers that provided cover to their employers. The information on consumer detriment from the government review alerted us to the need to secure improvements in the information available to potential claimants to satisfy the FSA's consumer protection objective.
- 2.31 In support of the DWP's policy, an independent employers' liability tracing office (the ELTO) has been set up with insurance industry support which includes a central

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<sup>7</sup> CP10/13 *Tracing employers' liability insurers* (June 2010)





**Changes:**

***Changes to BCOBS 1.1.5R***

***Changes to BCOBS 4.1.4G***

***Addition of BCOBS 4.1.4AG***

***Addition of BCOBS 5.1.3AG and 5.1.3BG***

***Change to BCOBS TP 1 (addition of row 6)***

- 2.37 The right of set-off falls within our remit on the deposit-taking side, with the consumer credit aspects coming under the remit of the Office of Fair Trading (OFT). The self-regulatory Lending Standards Board has issued guidance to its subscribers on using set-off in the lending context, and recently completed a thematic review to assess the degree of industry compliance.
- 2.38 This instrument includes guidance on two areas in relation to set-off: information that should be given to retail customers about set-off, and how firms should use set-off in a way that is fair to customers.
- 2.39 The effect of the instrument is that:
- firms should give retail customers information about set-off in good time before they open an account, on at least the first occasion that a firm is proposing to use set-off on a customer account, and they should also notify customers promptly after using set-off on their account;
  - when taking money in the exercise of set-off, firms should review the information available to them relating to the customer's account and leave customers with enough money to meet essential living expenses and priority debts;
  - firms should not take money in the exercise of set-off where they know or reasonably ought to know that a third party is beneficially entitled to the money or the customer is a fiduciary in respect of that money, or that the customer has received that money from a government department, local or health authority or NHS direct payment body for a specific purpose, or is under a legal obligation to a third party to retain and deal with that money in a particular way; and
  - if it becomes apparent to firms that they have taken money in the exercise of set-off that was needed to meet essential living expenses or priority debts or that was received for one of the purposes set out above, firms should refund this money unless it is fair not to do so.
- 2.40 This instrument comes into force on **6 March 2011**. Feedback on this consultation is set out in Chapter 4 of this Notice.

**Market Conduct sourcebook (MAR)**

*Market Conduct Sourcebook (Amendment No 10) Instrument 2011 (FSA 2011/9)*

- 2.41 Following consultation in Chapter 6 of CP10/22<sup>9</sup>, the Board has made the following changes to MAR:

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<sup>9</sup> CP10/22 *Quarterly consultation (No 26)* (October 2010)

**Changes:**

**Deletion of MAR 1.3.4E**

- 2.42 This amendment is a direct result of the 23 December 2009 decision of the European Court of Justice (ECJ) in *Spector Group NV and Chris Van Raemsdonck (Spector)*.
- 2.43 The specific part of the ECJ's decision that led to this amendment was its finding that if a person who holds inside information trades in financial instruments to which that information relates, there is a presumption that they have "used that information" for the purposes of insider dealing under Article 2 of the Market Abuse Directive (MAD). This is without prejudice to the person's rights to rebut that presumption.
- 2.44 In our view MAR 1.3.4E is currently inconsistent with that decision. MAR 1.3.4E is an evidential provision that sets out the FSA's opinion that, if the inside information was the reason for, or a material influence on, the decision to deal, that indicates that the person's behaviour is "on the basis of" inside information. We believe MAR 1.3.4E suggests that the FSA would need evidence of a person's intention, as a separate element of the offence, to prove insider dealing under MAR. Since *Spector* that is clearly no longer the case, so this provision has therefore been deleted.
- 2.45 This instrument comes into force on **6 March 2011**. Feedback on this consultation is set out in Chapter 4 of this Notice.

## **REGULATORY PROCESSES**

### **Supervision manual (SUP)**

*Electronic Money and Payment Services Instrument 2011 (FSA 2011/7; FOS 2011/1)*

- 2.46 For the changes made to SUP by this instrument, see paragraphs 2.3 to 2.8 of this Notice.

*Employers' Liability Insurance: Disclosure by Insurers Instrument 2011 (FSA 2011/12)*

- 2.47 For the changes made to SUP by this instrument, see paragraphs 2.3 to 2.8 of this Notice.

### **Decision Procedure and Penalties manual (DEPP)**

*Electronic Money and Payment Services Instrument 2011 (FSA 2011/7; FOS 2011/1)*

- 2.48 For the changes made to DEPP by this instrument, see paragraphs 2.3 to 2.8 of this Notice.

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10 CP10/23 *Decision Procedure and Penalties manual and Enforcement Guide review* (October 2010)

*Decision Procedure and Penalties Manual and Enforcement Guide  
(Amendment No 2) Instrument 2011 (FSA 2011/10)*

2.49 Following consultation in CP10/23<sup>10</sup>, the Board has now made the following changes:

**Changes to Glossary:**                    **Addition of definitions of “Cross-Border Payments in Euro Regulations” and “EU Cross-Border Regulation”**  
**Changes to definitions of “employee”, “restriction notice”, “settlement decision makers”, “settlement discount scheme” and “Tribunal”**  
**Deletion of definition of “Financial Services and Markets Tribunal”**

**Changes:**                                    **Addition of GEN 6.1.4AR**  
**Change to GEN 6.1.7G**  
  
**Changes to DEPP 1.1.2G**  
**Addition of DEPP 1.2.6AG**  
**Addition of DEPP 2.5.7AG**  
**Changes to DEPP 2 Annex 1G**  
**Changes to DEPP 2 Annex 2G**  
**Change to DEPP 4.2.1G**  
**Change to DEPP 5.1.1G**  
**Addition of DEPP 6.5D.4AG**  
**Changes to DEPP 6.7.1G**  
**Addition of DEPP 6.7.6G**  
**Addition of DEPP 6A.3.4G**  
**Changes to DEPP Schs 3 and 4**

**Changes to EG 2.1**  
**Change to EG 5.14**  
**Addition of EG 5.19A**  
**Changes to EG 6.7 and 6.8**  
**Addition of EG 6.8A and 6.8B**  
**Changes to EG 6.10**  
**Addition of EG 6.10A, 6.10B and 6.10C**  
**Changes to EG 6.12, 6.18 and 6.20**  
**Changes to EG 7.1, 7.4 and 7.5**  
**Addition of EG 7.8A**  
**Changes to EG 8.1 and 8.17**  
**Changes to EG 9.6 and 9.10**  
**Changes to EG 11.3**  
**Changes to EG 12.1, 12.5 and 12.11**  
**Changes to EG 19.73 and 19.84**  
**Addition of EG 19.89A, 19.89B, 19.89C, 19.89D and 19.89E**  
**Changes to EG 19.101 and 19.103**  
**Addition of EG 19.118 and 19.119**  
**Changes to EG Annex 2**  
**Changes to EG Appendix**

- 2.50 We have made a public commitment to review the contents of the Decision Procedure and Penalties manual (DEPP) and the Enforcement Guide (EG) at least annually and to consult on any changes we propose to make to EG. CP10/23 met those public commitments.
- 2.51 Following this consultation the instrument now made by the Board makes changes in four key areas:
- (1) It contains a rule (in GEN 6) that an authorised firm must not pay a financial penalty imposed on one of its employees.
  - (2) It sets out in EG our policy for publishing decision notices. This followed an amendment made by the Financial Services Act 2010 to section 391 of the Act to allow us to publish decision notices as well as final notices; previously, section 391 only allowed us to publish final notices. Our approach is that we expect normally to publish a decision notice if a person decides to refer the matter to the Upper Tribunal, but may also publish a decision notice before a person decides whether to make a referral if we consider there is a compelling reason to do so. We will, however, give the subject of the decision notice advance notice of our intention to publish.
  - (3) It contains a revision of our policy for reviewing our published notices and related press releases. Our policy had been to carry out a review of notices and related press releases that have been published for six years. We have amended that policy so that we will only carry out a review upon request, with the presumption that we will not remove a notice or related press release that has been published for less than six years. We have also set out the criteria we will use to determine if continued publication is appropriate.
  - (4) It amends the settlement discount scheme, which currently applies just to the level of financial penalties, so that this will now apply to the length of suspension periods as well. We were given a new power to suspend authorised persons and approved persons for up to 12 months and two years respectively by the Financial Services Act 2010.
- 2.52 This instrument also makes other minor amendments to DEPP and EG to ensure that these are up to date and give a clear statement of our enforcement policy.
- 2.53 This instrument comes into force on **6 March 2011**. Feedback on the consultation is being published in a separate Policy Statement.

## REDRESS

### Dispute Resolution: Complaints sourcebook (DISP)

*Electronic Money and Payment Services Instrument 2011 (FSA 2011/7; FOS 2011/1)*

- 2.54 For the changes made to DISP by this instrument, see paragraphs 2.3 to 2.8 of this Notice.

## SPECIALIST SOURCEBOOKS

### Collective Investment Schemes sourcebook (COLL)

*Collective Investment Schemes Sourcebook (Winding Up and Sub-fund Termination and Miscellaneous Amendments) Instrument 2011 (FSA 2011/11)*

- 2.55 Following consultation in Chapter 11 of CP10/22<sup>11</sup>, the Board has made the following changes to COLL:

**Changes:**

***Changes to COLL 6.8.3R***

***Changes to COLL 7.3.1G, 7.3.3G, 7.3.6R and 7.3.7R***

***Addition of COLL 7.3.7AG***

***Changes to COLL 7.3.8R and 7.3.10R***

***Addition of COLL 7.3.10AG***

***Changes to COLL 7.4.1G***

***Addition of COLL 7.4.2AG***

***Changes to COLL 7.4.3R and 7.4.4R***

***Addition of COLL 7.4.4AG***

***Changes to COLL 7.4.5R***

***Addition of COLL 7.4.6G***

- 2.56 The aims of this instrument are:

- (1) to allow managers to ‘deem’ income from offshore non-reporting funds as income and to include it in the calculation of income property. This proposal has been discussed and agreed with HMRC; and
- (2) to align more closely the requirements in COLL in relation to the winding up of an authorised unit trust (AUT) or the termination of an AUT sub-fund with the requirements for the winding up of an investment company with variable capital (ICVC) or the termination of an ICVC sub-fund and to make clear our expectations for the reporting during this process. We originally consulted on this in January 2010 but respondents were not in agreement with the proposals so we re-consulted in October 2010 following extensive discussions with stakeholders.

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11 CP10/22 *Quarterly consultation (No 26)* (October 2010)

- 2.57 The amendment to the income property calculation is needed to afford managers of UK authorised funds a level playing field with offshore reporting funds when investing in offshore non-reporting funds. The amendment was required to give effect to the relevant provision in the tax regulations.
- 2.58 The amendments to the rules for winding up or termination provide clarity on the reporting requirements expected by the FSA during this process and ensure consistency with the requirements in place during the fund's operation, benefitting AFMs and depositaries. The introduction of guidance describing what standards must be met to determine when winding up or termination is complete will also provide additional clarity.
- 2.59 The requirement to keep unitholders informed during winding up or termination ensures investor protection where the process is delayed or extended because of, for example, difficulties in disposing of illiquid assets such as immovable property.
- 2.60 This instrument comes into force on 6 March 2011. Feedback on this consultation is set out in Chapter 4 of this Notice.

### **Electronic Money sourcebook (ELM)**

*Electronic Money and Payment Services Instrument 2011 (FSA 2011/7; FOS 2011/1)*

- 2.61 Save for the Transitional Provisions, which are deleted and replaced, Chapters 1 to 8 of ELM are deleted by this instrument: see paragraphs 2.3 to 2.8 of this Notice.

### **LISTING, PROSPECTUS AND DISCLOSURE**

- 2.62 There are no changes to this part of the Handbook this month.

# 3 Changes outside the Handbook

## **Perimeter Guidance manual (PERG)**

*Electronic Money and Payment Services Instrument 2011 (FSA 2011/7; FOS 2011/1)*

- 3.1 For the changes made to PERG by this instrument, see paragraphs 2.3 to 2.8 of this Notice.

## **Building Societies Regulatory Guide (BSOG)**

*Electronic Money and Payment Services Instrument 2011 (FSA 2011/7; FOS 2011/1)*

- 3.2 For the changes made to BSOG by this instrument, see paragraphs 2.3 to 2.8 of this Notice.

## **Enforcement Guide (EG)**

*Electronic Money and Payment Services Instrument 2011 (FSA 2011/7; FOS 2011/1)*

- 3.3 For the changes made to EG by this instrument, see paragraphs 2.3 to 2.8 of this Notice.

*Decision Procedure and Penalties Manual and Enforcement Guide (Amendment No 2) Instrument 2011 (FSA 2011/10)*

- 3.4 For the changes made to EG by this instrument, see paragraphs 2.49 to 2.53 of this Notice.



# 4 Feedback on responses to consultation

- 4.1 This chapter provides feedback on the following consultations:
- Chapter 7 of CP10/15 *Quarterly consultation (No 25)* (July 2010); and
  - Chapters 4, 6 and 11 of CP10/22 *Quarterly consultation (No 26)* (October 2010).
- 4.2 Also included in this chapter is a supplementary feedback statement in relation to Chapter 9 of CP10/22. The original statement was published in HN106 (January 2011).

## **Chapter 7 of CP10/15: Quarterly consultation (No 25)**

*Banking: Conduct of Business Sourcebook (Amendment No 2) Instrument 2010 (FSA 2010/67)*

### **Glossary of definitions**

#### **Banking: Conduct of Business sourcebook (BCOBS)**

- 4.3 In Chapter 7 of CP10/15 we consulted on proposals to provide guidance in relation to exercising a right of set-off on retail customer accounts. A right of set-off can either arise under common law principles, or under a term in the contract.
- 4.4 We received 36 responses to our consultation from a wide range of respondents.
- 4.5 Some respondents focused primarily on the use of set-off when customers are in, or heading towards, financial difficulties. We agree that in these circumstances the use of set-off can leave vulnerable people without enough money to meet their essential living expenses or priority debts. Our guidance will help to protect these people. However, from responses from, and discussions with, the industry we understand that set-off is also used across a broader spectrum of customers. Firms told us that in many cases where they use set-off, customers have stopped making loan repayments for no clear reason, may have robust savings or current account balances, and have not responded to communications from the firm. Our guidance takes account of the range of circumstances in which a firm may use set-off on an account held by a consumer.

## *General issues raised in the consultation on set-off*

### *Make rules not guidance*

- 4.6 A number of consumer bodies suggested that our proposals should have the status of rules rather than guidance.

#### **Our response:**

We do not agree, as our objective is to give guidance to illustrate one way that banks can achieve compliance with the appropriate information rule and exercise set-off in a manner that is consistent with Principle 6 and the fair retail banking service rule. We expect our guidance to deliver the consumer outcomes we want. We do not consider that it would be appropriate to make prescriptive rules in this area, as the circumstances in which set-off could be used can vary significantly. So, detailed rules could result in inappropriate outcomes for customers in some cases. However, we would reconsider our approach if it became apparent that our guidance was not meeting its objective to improve consumer protection.

### *Copy across the guidance on set-off issued by the Lending Standards Board*

- 4.7 Some respondents suggested that we should have copied across to BCOBS the guidance on set-off that was produced by the Lending Standards Board (LSB) as part of the voluntary, self-regulatory lending regime.

#### **Our response:**

We believe that our approach is broadly similar to the LSB's, but is more widely applicable (i.e. our guidance applies to all retail customers, while the LSB's guidance tends to focus on those who are in financial difficulties). For the benefit of consumers, it also goes further in some areas, for example by giving guidance on situations where money intended for certain purposes that should not be subject to set-off, and that refunds should be given if it is discovered that money has been inadvertently taken that was intended for these purposes, or was needed for essential living expenses or priority debts.

### *Ban firms from using set-off*

- 4.8 Some consumer bodies and individuals stated that we should ban the use of set-off.

#### **Our response:**

We do not consider that it would be proportionate or reasonable to do this, because set-off is a well established principle of banking law that can be an appropriate tool for firms to use in some circumstances. It can be helpful for consumers who have missed payments in error, and may also help consumers to avoid charges for missed payments or prevent them from defaulting on their credit agreements. Used fairly, it can be an appropriate means of debt recovery, especially for customers who fail to engage with their banks.

### *Interaction between our guidance and offset mortgage arrangements*

- 4.9 One respondent queried how our proposed guidance would interact with offset mortgages.

#### **Our response:**

We did not intend our guidance to have an impact on these products, and so we have adjusted our Glossary definition of set-off to make it clear that it does not cover the combination of account balances where it is only for the purposes of calculating interest on a mortgage loan.

### *Respondents' answers to specific questions in the July QCP*

- 4.10 In the CP we asked certain specific questions, as set out below.

Q21: Do you agree with our proposal that information about set-off should be provided in the account terms and conditions?

Q22: Do you see a need for further information, beyond that set out in our proposal, to be provided about set-off when a customer opens an account?

- 4.11 The majority of respondents agreed that in principle information about set-off should be provided in the account terms and conditions. No firms that responded believed there was a need to provide further information, although some firms asked for clarification regarding the level of detail and content that we would expect. Some consumer bodies suggested that we give more detailed guidance on the content that should be incorporated, and make clearer that the information should be written in plain, easily understood language. A couple of respondents suggested information about the right of set-off should also be disclosed orally when a customer opens an account. It was also suggested that firms should provide information about set-off for all existing customer accounts, or periodically remind all customers about the right of set-off. Finally, various respondents asked for clarification about whether this information could be provided separately.

#### **Our response:**

We consider that our draft guidance made adequate provision in this area. We said that firms should, "provide an explanation of the nature and extent of the firm's right of set-off in good time before the consumer is bound by the contract for the retail banking service". Our intention was that firms should provide meaningful information to customers, and so a bare statement that a firm has a right of set-off would not be in line with the guidance. We would expect firms to provide a few sentences to explain the right, and how it applies and can be used in the context of the banking relationship.

We also stated in the draft guidance that all the information given about set-off should be "provided in plain and intelligible language", and so see no need to provide further guidance on this point.

As set-off is used on a very small proportion of accounts (our cost benefit analysis suggested that no more than 1-2% of customers are affected), we do not believe that it would be proportionate to amend the guidance to state that oral disclosure should be given, or that information should be provided about set-off for all existing customer accounts, or that customers should be reminded periodically. We also believe it is more effective to focus our policy interventions on the provision of information when set-off becomes relevant to the customer.

If they wish, firms have the flexibility to provide this information in a separate document; we stated in the draft guidance that it 'may' be incorporated into the terms and conditions. We do not consider that it would be proportionate to make guidance that this information *should* be provided separately.

We have made an addition to this area of the guidance to state that if a firm considers that it is entitled to exercise a right of set-off on a joint account in respect of a sole debt owed personally by one of the account holders, an explanation of this right should also be included in the information provided before customers are bound by a contract. Please see our explanation in the section after paragraph 4.22 below.

Q23: Do you agree with our proposal for firms informing customers of the right of set-off when they are beginning or continuing to experience difficulty in meeting their payment obligations?

- 4.12 The majority of respondents agreed with this proposal in principle. Some consumer bodies and individuals made further suggestions, such as:
- personalising this information;
  - signposting to free debt advice services;
  - contacting customers by telephone;
  - stating in the information that the customer should contact the firm to discuss how much money should be left to meet essential living expenses; and
  - one respondent to the consultation suggested that we should clarify the meaning of the guidance that information should be given with a reasonable period where a firm knows or reasonably ought to know that the consumer is experiencing payment difficulty and give further consideration to the timeframe for providing this information.
- 4.13 Some confusion arose from our proposal that information should be sent when a customer is “beginning or continuing to experience difficulties in meeting payment obligations”. Some respondents had the impression that this is similar to, or the same as, being in financial difficulties. It was not our intention for the guidance to apply this narrowly.
- 4.14 There was also some confusion about whether this proposal meant that banks would be expected to provide this information automatically when a customer begins missing payments, regardless of the likelihood of the bank actually using

set-off. Some firms queried whether this information would need to be provided every time a customer missed a payment. One trade body asked for clarification of the wording we would expect.

**Our response:**

Our objective was to ensure that customers are reminded about the right of set-off in good time when a firm is proposing to use it on their account. We consider that our proposals regarding the content and frequency of the information appropriately balance the interests of customers and firms. Customers should be alerted to the possibility of set-off being used on their account, but it would not be proportionate or helpful to be more prescriptive as to how this information is presented. Firms may wish to signpost to free debt advice services, though we note that for many customers this may not be relevant. We also note from responses from, and discussions with, firms, that in most cases several attempts are made to contact a customer and discuss their financial situation before set-off is used.

In order to make clearer the policy intentions underlying this proposal in relation to the timeframe for providing this information, we have amended our guidance to indicate that we consider the information should be provided at least 14 days before the firm seeks to exercise its right to set-off. The information should be provided within a reasonable period, so should be given at a time when the information is relevant to the consumer's circumstances and the exercise of set-off is in prospect, not at an unduly early stage.

We have replaced the reference to "beginning or continuing to experience difficulty in meeting payment obligations" with "within a reasonable period before the firm seeks to exercise its right to set-off". We do not think that this information should necessarily be provided on every occasion that a firm is proposing to use set-off. Otherwise, some customers who consistently fail to engage with their bank could receive multiple identical letters in a short space of time. However, we have stated that, where appropriate in the individual circumstances, banks should provide this information on subsequent occasions. Whether it is appropriate to do so will depend on the amount of time that has elapsed since the first or most recent time that this information was provided to the customer. In a situation where a firm has used set-off on a customer's account prior to 6 September 2011 and has not previously provided the information referred to in BCBS 4.1.4AG (2) (b) to the customer in question, the firm should provide that information to the customer on the first occasion that the firm proposes to use set-off on the account after 6 September 2011, within a reasonable period beforehand (and, where appropriate, on subsequent occasions).

Q24: Do you agree with our proposal that customers should be promptly notified about the use of set-off on their account?

- 4.15 Most respondents agreed with this proposal. Some queried how "promptly" should be defined, and others queried whether notification could be incorporated within another piece of communication to a customer, such as in a statement. One firm suggested that we amend our guidance to state that it would be adequate to advise a

customer by telephone that set-off had been used on their account. Some firms suggested that we should align our guidance in this area with that of the Lending Standards Board, which states that “at least on the first occasion after set-off has been used contact should be made with the customer to advise them and they should be encouraged to take appropriate action in the future to avoid missed payments”.

**Our response:**

We consider that notification should only be incorporated within another piece of communication to a customer if it is prompt. We expect firms to give “prompt” its natural meaning: without delay. In this context, we would ordinarily expect that firms would notify customers of the use of set-off on the same day, or the next working day. We have not included a definition in the guidance, as we believe that our intention is clear. In the interests of transparency for customers, we consider that, on every occasion that set-off is used, notification should be provided promptly afterwards.

We continue to believe that all the information about set-off that we specified in our draft guidance, including notification, should be provided in a durable medium such as a letter or email so that the customer has a record and can refer back to it. However, firms could in addition choose to speak to customers.

Q25: Do you agree with our proposals for exercising the right of set-off fairly?

Q26: Do you have any suggestions of other ways of exercising the right of set-off fairly?

- 4.16 Most respondents agreed in principle with our proposal that firms should estimate any subsistence balance on a customer account on the basis of the information available to them before exercising set-off. We defined a subsistence balance as a sum needed by the consumer to meet “essential living expenses or priority debts”.
- 4.17 A number of firms and consumer bodies that responded raised issues around the practical limitations on calculating precise subsistence balances. Some respondents suggested that firms could use the Common Financial Statement (CFS) and trigger figures<sup>12</sup> to estimate a subsistence balance. Some individuals and consumer bodies suggested that there should be a minimum amount that firms leave in an account when they use set-off, or maximum limits or ratios regarding the amount that firms can take in a set-off transaction. Some consumer bodies suggested that we give guidance that firms should recognise the first right of appropriation.<sup>13</sup>
- 4.18 Some individuals and consumer bodies suggested that firms should not exercise set-off unless they are sure that they have an accurate picture of a customer’s essential living costs. Some went further, and suggested that firms should not use set-off until they have contacted the customer to get this information. Some respondents queried our language around subsistence balances; one consumer body

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12 Budgeting tools sponsored by the Money Advice Trust, British Bankers’ Association and the Finance and Leasing Association.

13 A common law right that people have to instruct their bank to apply money paid into their account to a particular payment out of their account.

suggested that the use in BCOBS 5.1.3A G of “so far as practicable” gave the impression of both weakening the guidance and giving too much discretion to firms.

- 4.19 Finally, some consumer bodies suggested that we add guidance that if a bank exercises set-off, and subsequently discovers that the money they have taken was needed to meet essential living expenses or priority debts or was intended for a purpose set out in our draft guidance, then the bank should refund this money.

**Our response:**

We took into account the practical difficulties of calculating a subsistence balance, and allowed for them by stating that firms should “estimate” the amount of any subsistence on the basis of information “available and accessible to the firm” relating to the consumer’s account.

We have removed the words “so far as practicable” from the guidance, as we did not intend these words to weaken the substance of the guidance. We accept there are practical difficulties and this is reflected in the language used in BCOBS 5.1.3AG (1) referred to above. Firms should ensure they take a fair approach when dealing with them.

We do not expect firms to spend time estimating a subsistence balance if it is very clear that a customer will have ample money left over for subsistence costs after a set-off transaction takes place. Firms should be mindful though that they do not use set-off on funds that are intended for purposes such as health or social care payments.

We agree that the CFS and the trigger figures could be used to estimate a subsistence balance, though there will be other valid ways of making this estimate. Specifying a minimum amount of money that should be left in an account after set-off has been used, or maximum ratios or maximum set-off payments, would be inflexible and might discourage firms from calculating the subsistence balance on an individual basis.

We cannot amend the draft guidance to include reference to the first right of appropriation, as this would go significantly beyond our consultation proposals. Our guidance should achieve the outcomes we want in relation to the use of set-off, and so we do not plan to consult further.

We do not think it would be practical to amend the guidance to state that firms should use set-off only after they have spoken to a customer. Firms often use set-off as a last resort after they have made efforts to contact the customer to discuss their missed payments. However, if a customer does interact with a firm before set-off is used in order to discuss the customer’s financial circumstances, then we would expect the firm to take the customer’s representations into account.

We believe it is implicit in Principle 6 (Treating customers fairly) and BCOBS 5.1.1R (Obligation to provide a service in relation to a retail banking service which is prompt, efficient and fair), that firms should refund the money taken in set-off, if it becomes apparent to them that money debited from a consumer’s account was needed to meet essential living expenses or priority debts or for the purposes set out in our draft guidance, unless it is fair not to do so. However, we agree with consumer bodies that it is helpful to make this explicit in our guidance.



In these circumstances, providing a refund should be the default response. We believe, however there may be some occasions when it might be fair not to give a refund, for example when a customer's account now has enough money to meet their essential expenses and refunding money taken in exercise of set-off would result in default charges. There may also be circumstances where only a portion of the money taken in set-off was needed to meet essential expenses, and so it would be fair to refund only this portion. We understand from responses that many firms already take the approach that we have set out.

**Q27: Do you agree with our proposal that firms should not use set-off in the types of funds we have identified?**

- 4.20 Most respondents agreed in principle with this proposal. Some firms that responded were concerned about not being able to identify money that is intended for the purposes we specified, such as money intended to pay for health or social care. Some consumer agencies, government agencies and individuals suggested that the guidance should state that banks should do as much investigation as possible in order to identify money that should not be subject to set-off. Some suggested that set-off should not be used unless banks have established beyond doubt where money is intended for these purposes.
- 4.21 Some firms that responded did not agree with our proposal that set-off should not be used on joint accounts in order to service a debt held in the name of just one of the account holders. These respondents stated that banks should be able to use set-off on joint accounts in certain circumstances, such as where the holders of a joint account have agreed to an express term in the contract to this effect.
- 4.22 Finally, some respondents believed that our draft guidance stated that set-off should not be used on accounts where the balance is comprised primarily of state benefit payments. Other respondents suggested that we amend our draft guidance to state that set-off should not be used in this circumstance.

**Our response:**

Addressing the concern raised by firms, our draft guidance recognised the practical limitations on investigating and identifying the purpose of payments into an account. Where a customer contacts his or her bank to inform the bank that money is intended for one of the purposes set out above, we expect the bank would record this and take it into account if it considers using set-off on the customer's account.

Banks can only work on the basis of the information they have regarding an individual's use of their account. Also, the purpose of money in an account is not always easily identifiable by the bank. We are helping to facilitate stakeholder discussions between the industry and relevant bodies to aid identification of transactions such as direct payments for health and social care.

Having considered further whether set-off should be used on joint accounts in respect of sole debts, we have made the decision to remove the draft guidance on this in BCOBS 5. In the light of consultation responses, we consider that an approach that concentrates on



adequate disclosure and transparency of potential risks of set-off on a joint account, to enable consumers to make informed decisions, is a proportionate approach to achieving our consumer protection objective and is more in line with our general approach to wider risks associated with joint accounts. For example, industry guidance (confirmed by us) states that, before entering into a contract, joint account customers should be informed of their rights and duties and the concept of joint and several liability.

In addition, during the consultation process, it emerged from discussions with stakeholders that a potential unintended consequence of the proposed guidance relating to joint accounts was that it could lead firms to require customers to open sole accounts in order to obtain credit and to make credit payments. This could potentially inconvenience consumers who wish to have a joint account.

In some cases, a term allowing the bank to exercise set-off against a joint account may offer a benefit for both joint account holders (for example, to repay arrears on a mortgage loan in the name of only one of the account holders in respect of a property where both account holders live).

We have, however, made an addition to the guidance in BCBS 4 relating to the provision of appropriate information about set-off on joint accounts. This indicates that, if a firm considers that it is entitled to exercise a right to set off a debt owed personally by one consumer against an account held in the joint names of that consumer and another consumer, it should provide an explanation of this right to the joint account holders in good time before the joint account is opened. This is in line with our broader approach to joint accounts. Joint account customers will benefit from the rest of the guidance; for example, they will receive information about set-off within a reasonable period before the first occasion that the bank proposes to use set-off on their account, and where appropriate on any subsequent occasion.

We have considered further whether a right of set-off on a joint account may have the effect of placing a joint account holder in the position of a guarantor. We note that a right to exercise set-off against a joint account does not involve a personal undertaking by a joint account holder to be liable for the whole of the other account holder's debt, but is much more limited in that it relates only to the balance of a specific joint account standing to the credit of the account holders. The liability of the joint account holder will not attach to other property, and the effective liability can be avoided entirely by withdrawing the money from the account.

We have now made it plain that nothing in our guidance should be considered as expressing a view on the validity, enforceability or fairness of any right of set-off in relation to a joint account that a firm considers it is entitled to exercise. If there are fairness issues relating to contractual set-off terms on joint accounts, these would be dealt with in accordance with the Unfair Terms in Consumer Contracts Regulations as appropriate.

In the light of consultation responses, we consider that benefits from our original proposal on joint accounts would be lower than we had expected; this contributed to our change in approach. As a result of this change, the estimated costs of implementing our proposals as derived from our cost benefit analysis will fall.

Regarding state benefits, we did not state in the draft guidance that they should not be subject to set-off. We consider that, if firms follow our suggested procedure for estimating subsistence balances, the source of the balance should not be relevant. The exceptions to this are the types of funds that we have stated should not be subject to set-off due to the particular detriment that could result from doing so.

Finally, we have made a minor amendment regarding payments from a government department or local authority, to reflect that such payments may be made by an NHS direct payment body.

**Q28:** Do you agree with our proposal to apply the guidance in the information requirements to credit unions, but exempt them from our post-sale guidance on set-off?

- 4.23 Several consumer bodies, and some firms, did not agree that we should exempt credit unions from the proposed guidance in BCOBS 5 relating to the post-sale use of set-off. Instead, in the interests of treating credit union customers fairly, they suggested that all of the guidance should apply. Some respondents suggested that the larger credit unions bear a close resemblance to banks, and so should be treated as such. Two respondents suggested that the fact that credit unions have a statutory right of set-off should not be a reason to exempt them from the post-sale guidance.
- 4.24 One credit union trade body suggested that it would be onerous and potentially costly to change account terms and conditions for new customers, or provide separate information on this point, especially for the smaller credit unions. The other credit union trade body that responded agreed that general information should be provided when customers open an account, but suggested that it is more relevant to provide this information when a customer applies for a loan or other form of credit.

**Our response:**

We do not share the view that the larger credit unions bear a close resemblance to banks<sup>14</sup>, as credit unions are mutual organisations with benevolent objectives that help to promote financial inclusion and represent a source of affordable credit for those on low incomes.<sup>15</sup> We are also mindful of possible implications of creating a larger regulatory burden for credit unions, in particular the smaller ones. We have also developed our proposals in the light of the statutory right of set-off that credit unions have. Finally, we do not have evidence of particular consumer detriment in this area, and so consider that applying all of the guidance would be disproportionate.

Against this background, we have amended our guidance to exempt credit unions from providing information about set-off when a customer opens an account, as we agree that it would be onerous for many credit unions. They should still provide information when considering using set-off on a customer account, and give prompt notification when they have used it.

14 Although proposed changes to the legislative framework that applies to British credit unions will give them more freedom and flexibility in the services they can offer.

15 These objectives include the use and control of their members' savings for their mutual benefit, and the training and education of members in the wise use of money and in their management of their financial affairs.

If evidence of consumer detriment emerges in the future in relation to credit unions' use of set-off, then we would consider amending our approach.

Q29: Do you agree that our proposed guidance should take effect immediately?

- 4.25 Most consumer agencies, individuals and government departments agreed with this proposal. Most firms did not agree, citing a potential need to make systems changes, as well as redrafting and reprinting documents. Most firms requested a transitional period of at least six months.

**Our response:**

We understand that the need to make systems changes, and also the need to redraft and reprint documents, will arise mainly out of our guidance in relation to the appropriate information requirements. So, we have given a transitional period of six months, until 6 September 2011, in respect of this guidance. The guidance under the post-sale requirements comes into effect on 6 March 2011. We can clarify that we do not expect updated terms and conditions, or pre-contract information set out in BCOBS 4.1.4AG(2)(a), to be sent out to customers for accounts opened before the guidance comes into effect. However, firms should provide the information specified in 4.1.4AG(2)(b)(i) to every customer, after 6 September 2011, on the first occasion they propose to use set-off on a customer's account, and where appropriate on any subsequent occasions, within a reasonable period beforehand.

*Other issues raised around our proposed guidance*

- 4.26 One respondent raised issues in relation to the effect of our proposed guidance on prior contractual agreements, and the interaction of our proposed guidance with certain aspects of Scottish civil procedural law. Having considered these issues, we do not consider that there is a conflict with our guidance.

*Monitoring firms' use of set-off*

- 4.27 Some consumer bodies flagged that we should prioritise undertaking supervisory work around the right of set-off, to determine whether firms are treating customers fairly. We will keep the possibility of undertaking such work under review. As part of our general supervisory approach, where issues arise with individual firms' use of set-off, we may take action if it is apparent that a firm is not treating customers fairly. In line with our Memorandum of Understanding, we will continue to liaise with the Lending Standards Board as appropriate.

*Information about compensation arrangements*

Q30: Do you have any comments on our proposed amendment to BCOBS 4.1.4G(8)?

- 4.28 In the CP we also proposed a minor amendment to BCOBS guidance relating to information about compensation arrangements. BCOBS 4.1.4G sets out the type of information that should be provided or made available to a banking customer in

order to meet the requirements of the appropriate information rule (4.1.1R). With the commencement of COMP 16 on 1 January 2010, we altered the reference in BCOBS 4.1.4G(8), to read “information about compensation arrangements in accordance with COMP 16”.

- 4.29 To clarify our expectations and to reduce cross-references in the Handbook, we proposed to amend BCOBS 4.1.4G(8) to instead read ‘the terms of any compensation scheme if the bank cannot meet its obligations in respect of the retail banking service’.
- 4.30 Most respondents either agreed with our proposed amendment or had no comment. However one firm expressed a view that the reference to COMP 16 should not be removed, as it serves as a useful reminder that other requirements relating to the content of information about compensation requirements are set out elsewhere.

**Our response:**

We have some sympathy with this view, particularly as the requirements of COMP 16 apply only to deposit takers. However, we do not want to give the impression that compliance with COMP 16 will necessarily imply that a firm has met the requirements of the BCOBS appropriate information rule with respect to compensation arrangements in all circumstances.

**Cost benefit analysis and compatibility statement**

- 4.31 In the light of consultation feedback, we have made the changes explained above to our original draft guidance. We do not consider that these changes are fundamental changes to the substance of the guidance. On this basis, our cost benefit analysis and compatibility statement published in CP10/15 remain valid. The changes made by this instrument are listed and described at paragraphs 2.36 to 2.40 of this Notice.

**Chapter 4 of CP10/22: Quarterly consultation (No 26)**

*Prudential Sourcebook for Insurers (Amendment No 2) Instrument 2011 (FSA 2011/8)*

**Prudential sourcebook for Insurers (INSPRU)**

*Eliminating reciprocal financing (INSPRU)*

- 4.32 In Chapter 4 of CP10/22 we consulted on amending the rules in INSPRU 6 on eliminating reciprocal financing. We wanted to clarify these rules in the light of evidence that possible differences in accounting may result in not achieving our policy objective of eliminating reciprocal financing in the calculation of group capital resources of insurance groups.
- 4.33 We received responses to this consultation from three insurers. They opposed the proposals on several grounds. We address these below. However, the instrument does not differ significantly from the version in the Consultation Paper (CP).

- 4.34 The respondents noted that the US authorities allow the use of LoCs (XXX and AXXX type transactions) to cover what are claimed to be redundant reserves for certain US life products. Our rules (in INSPRU) allow local rules for capital resources and capital requirements to be used when aggregating the positions of group entities located in a ‘designated state or territory’ in order to calculate Insurance Groups Directive (IGD) capital adequacy. US States qualify as ‘designated states’. However, the amended rules would not allow these LoCs to contribute to IGD capital adequacy.

**Our response:**

The amended rule is not directed at IGD recognition of local rules which, in this case, permit the use of XXX and AXXX transactions as local capital. Rather it addresses the circumstances where guarantees connected to such transactions are given by a member of a group to the third party provider of capital, which effectively transfer the risk covered by the capital back into the group. Such guarantees are not an issue at the local entity level since a third party provides them. But at group level they create reciprocal financing, which the IGD requires to be eliminated when calculating capital adequacy.

- 4.35 The respondents were concerned that the amendment might introduce retrospective changes without giving firms enough time to take any necessary mitigating action and, more generally, as rule changes under Solvency II are about to come into force.

**Our response:**

We expect the amended rules to be effective from March 2011. So we would expect firms to reflect this treatment in their accounts for this year. The relevant IGD provisions will be recast in Solvency II. The general principle of eliminating reciprocal financing and other intra-group creation of capital will be retained.

- 4.36 Some respondents asked us to clarify how the proposals will be applied and whether they were designed to apply to specific structures, such as XXX and AXXX transactions, or more broadly. They noted that such transactions are typically individually designed and approved and therefore should be considered individually.

**Our response:**

The proposal will apply with respect to all group entities included in the scope of the group capital resources calculation. It is intended to clarify the general principle that reciprocal financing should be eliminated in the group capital calculation. This would include XXX and AXXX type financing and other financing where there is a parental guarantee linked to capital provided by a non-group party that results in risk being transferred from the external non-group provider of capital back into the group. We would assess individual structures against the general principle and, if necessary, give individual guidance.

- 4.37 All the respondents noted that the likelihood of parental guarantees within XXX type structures being called was very remote. So they considered the appropriate accounting treatment was to value the guarantees at zero. Anything more stringent would not be proportionate and would put UK-based insurance groups at a competitive disadvantage to those based in other countries.

**Our response:**

We consider that the general IGD principle of eliminating reciprocal financing has overriding application in calculating group capital resources. So this means that the full amount of capital covered by such guarantees should be eliminated when calculating group capital resources.

We do not believe that the proposal will create competitive disadvantage in relation to other European groups. This is partly because the accounting consolidation method of consolidation is broadly used in Europe under IGD and it will be the default method under Solvency II. Use of local rules is not an issue when the accounting consolidation method is used because EU rules will apply to all group business in third countries. Where deduction and aggregation is used as a transitional approach or a non-default approach, the general principle of elimination of reciprocal financing will apply.

**Cost benefit analysis and compatibility statement**

- 4.38 Respondents considered that the cost to the industry could be greater than we estimated. One respondent suggested that it may not be possible to replace XXX type transactions with XXX transactions without a parental guarantee.

**Our response:**

Costs to the industry will depend on the actions taken by firms. As stated in the cost benefit analysis in the CP, if firms replace the excluded amounts with transactions without parental guarantees, market intelligence suggests an incremental cost of 100 basis points. Following discussions with respondents we have so far been able to identify only one firm which is likely to be affected. Costs to that firm might increase over the life of the transaction. However, if it is not economic or possible to replace a transaction, reasonable alternatives would include absorbing any ineligible resources in existing IGD surpluses.

- 4.39 We do not consider that any change is needed either to the cost benefit analysis or the compatibility statement which remain as published in the CP. The changes made by this instrument are listed and described at paragraphs 2.22 to 2.26 of this Notice.

**Chapter 6 of CP10/22: Quarterly consultation (No 26)**

*Market Conduct Sourcebook (Amendment No 10) Instrument 2011 (FSA 2011/9)*

**Market Conduct sourcebook (MAR)**

- 4.40 In Chapter 6 of CP10/22 we consulted on amending the FSA's Code of Market Conduct (in MAR), by deleting MAR 1.3.4E. We explained that this deletion was necessary following the judgement of the European Court of Justice (ECJ) in the *Spector*<sup>16</sup> case. In that case, the ECJ held that there is a presumption (which is

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16 Case C-45/08, *Spector Photo Group NV, Chris Van Raemdonck v Commissie voor het Bank, and Financier-en Assurantie-vezen* (CBFA).

rebuttable) that a person who holds inside information and subsequently trades in financial instruments to which that information relates has ‘used that information’ for the purposes of insider dealing under the Market Abuse Directive (MAD).

- 4.41 MAR 1.3.4E suggests that a separate element of a person’s intention is needed in order to prove insider dealing. Given the decision in *Spector*, our view is that it is not necessary to provide evidence of a person’s intention as a separate element in order to prove insider dealing.
- 4.42 We therefore asked in Chapter 6 of CP10/22:

Q21: Do you agree that MAR 1.3.4E should be deleted in light of the ECJ decision in the *Spector* case?

- 4.43 We received three responses to this question. One supported our approach without going into any details, whilst the other two responses suggested that we had not fully considered the implications of *Spector* or given sufficient guidance to market participants on its practical implications.
- 4.44 In particular, one respondent made the following arguments:
- (1) Section 118(2) of the Financial Services and Markets Act (the Act), which implements Article 2 of MAD, should be amended to make it consistent with ECJ’s interpretation in *Spector*.
  - (2) The FSA should provide guidance in MAR on how the presumption may be rebutted. More specifically, we should take successful rebuttal for granted in the situations described in MAR 1.3.3E to 1.3.5E: these provisions set out various factors we will take into account as indicating that behaviour is not on the basis of inside information.
  - (3) MAR should reflect other comments from the ECJ, particularly the need to use an objective/purposive approach to determining “use” of inside information.
  - (4) The FSA should provide guidance on what this respondent calls “the principle of legitimate use” laid down in *Spector*.

**Our response:**

In relation to the first point, we believe that the language of s.118(2) remains consistent with the decision in *Spector* and does not need to be amended. In any event, amendment of the Act is a matter for HM Government and cannot be achieved through amendments to MAR.

In relation to the remaining points, we consider that MAR as currently drafted is not inconsistent with the ECJ’s judgment and that it is not necessary or appropriate to amend MAR in the manner proposed by the respondent.

- 4.45 Accordingly, for the reasons set out here and in Chapter 6 of CP10/22, we intend to amend MAR in the way proposed by deleting MAR 1.3.4E.



- 4.46 The cost benefit analysis and the compatibility statement remain as published in the CP. The instrument is referred to in paragraphs 2.41 to 2.45 of this Notice.

## **Chapter 9 of CP10/22: Quarterly consultation (No 26)**

*Integrated Regulatory Reporting (Amendment No 10) Instrument 2011 (FSA 2011/3)*

*Supervision manual (SUP)*

- 4.47 In Chapter 4 of HN106 (January 2011) we erroneously stated that no responses were received to Chapter 9 of CP10/22. A response was received and we are currently assessing whether the issues raised represent a material change to the policy and guidance and will result in further consultation, or whether these can be resolved by direct response to the industry.

## **Chapter 11 of CP10/22: Quarterly consultation (No 26)**

*Collective Investment Schemes Sourcebook (Winding Up and Sub-fund Termination and Miscellaneous Amendments) Instrument 2011 (FSA 2011/11)*

### **Collective Investment Schemes sourcebook (COLL)**

- 4.48 In Chapter 11 of CP10/22 we consulted on making changes to COLL:
- to align the requirements in COLL in relation to the winding up of an authorised unit trust (AUT) or the termination of an AUT sub-fund with the requirements for the winding up of an investment company with variable capital (ICVC) or the termination of an ICVC sub-fund; and
  - to allow managers to ‘deem’ income from offshore non-reporting funds as income and to include it in the calculation of income property.
- 4.49 In respect of our proposals for the rules on winding up or termination, we received two responses from management companies, a response from an auditor and responses from the Investment Management Association (IMA) and the Depositary and Trustee Association (DATA). In respect of our proposals for the amendment to the income property calculation, we received responses from a management company, an auditor as well as the IMA, DATA and the Alternative Investment Management Association.

### **Winding up schemes or terminating sub-funds**

- 4.50 In Chapter 4 of CP10/1<sup>17</sup> we consulted on several proposed amendments to the rules in COLL for winding up authorised schemes or terminating sub-funds within

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17 CP10/1 *Quarterly consultation (No 23)* (January 2010)



umbrella schemes. The feedback we received agreed with the need for clarification but did not agree with the proposed amendments and so we consulted on amended proposals in CP10/22. The amended proposals included:

- inserting guidance in COLL 7.3.7AG and COLL 7.4.4AG setting out when we consider winding up or termination is complete;
- requiring authorised fund managers (AFMs) to keep investors informed of the progress of the winding up or termination where the AFM has agreed with the depositary that the requirement to provide short reports can be disappplied;
- clarifying our expectations in respect of the reports and accounts covering the final accounting period; and
- other minor clarificatory amendments regarding the final cancellation of units and in-specie final distributions.

#### *Responses to the consultation*

- 4.51 The responses received in respect of our amended proposals were broadly in agreement. All respondents agreed that the introduction of guidance on the completion of winding up or termination would be helpful and all agreed with our proposals. One respondent suggested inserting added flexibility around the provisions in respect of amounts not yet charged to the fund that could be made by the AFM and the depositary, but we felt that this would reduce the greater certainty provided by the guidance and therefore reduce its effectiveness.
- 4.52 All respondents agreed with the principle of keeping unitholders informed during the winding up or termination process. A number of respondents highlighted that this should be required only where the unitholders retain a financial interest in the fund. We have therefore amended the new provisions in COLL 7.3.10R(4) and COLL 7.4.5R(2B) to require managers to provide such updates unless a final distribution has been made in accordance with the relevant requirements.
- 4.53 Respondents were opposed to the introduction of a requirement for an AFM of an AUT to produce a final account or termination account. Following further discussions with the IMA we have decided that this requirement would be an additional burden on the AFM without increasing the level of investor protection beyond what is already provided for by the existing requirement to produce a full, final set of audited financial statements. We are therefore not introducing COLL 7.4.7R as consulted and, as a result, COLL 7.4.5R (4) and (5), which had been reproduced in COLL 7.4.7R (4) and (7), will be reinstated.
- 4.54 One respondent also highlighted that the wording of COLL 7.4.5R(5) did not make clear whether the short form or long form report was required to be sent to the FSA and unitholders. Our interpretation was that the provision required the long form report to be sent to both. However, the provision of a long form report to unitholders is inconsistent with the requirements during the life of the fund. Further, as the long form report could be sent some time after the final distribution is made, there is potential for an element of investor confusion. We have therefore amended (5) to clarify that the long form report must be sent to the FSA, and added a new

provision in (6) requiring managers to send a letter to those who were unitholders at the commencement of the winding up or termination informing them that the long form report is available on request. We believe this reduces the burden on AFMs whilst ensuring that investors retain access to information they may require.

- 4.55 We have also taken this opportunity to amend a further inconsistency: the requirements of COLL 4.5 provide AFMs with four months to produce the final set of reports and accounts; however, COLL 7.3.8R(6) and COLL 7.4.5R(5) required the reports and accounts in respect of the final accounting period to be produced in two months. We have amended these to allow for four months.
- 4.56 One respondent highlighted an inconsistency between the new provisions for ICVCs in COLL 73.10AG and the new provision for AUTs in COLL 7.4.6G(1) which stated that the AFM and depositary should consider consulting the FSA in determining whether the short report is not in the interests of unitholders. This inconsistency was unintentional and we have therefore removed the second sentence from COLL 7.4.6G (1).
- 4.57 The amendments described above have resulted in consequential changes to the table of guidance in COLL 7.3.3G and the new, corresponding table in COLL 7.4.2AG.

#### **Authorised funds which invest in offshore 'deemed' Reporting Funds**

- 4.58 We also consulted on expanding the list of permitted transfers between the income account and capital account of an authorised fund, provided for by COLL 6.8.3R (3A) (c), to include deemed reported income from a second scheme where that second scheme is a Non-Reporting Offshore Fund (NROF).
- 4.59 All respondents agreed that the change would be useful and all agreed with the proposed wording. We are therefore making the amendment as consulted on.
- 4.60 The Government has made tax regulations which will permit an AIF making transfers from capital to income property on account of deemed reported income to treat an investment in an NROF in a similar manner to an investment in a ROF for tax purposes. The regulations are due to come into force on 6 March 2011.<sup>18</sup>
- 4.61 The cost benefit analysis and the compatibility statement remain as published in the CP. The changes made by this instrument are listed at paragraphs 2.55 to 2.60 of this Notice.

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18 [www.hm-treasury.gov.uk/fin\\_sector\\_assetmanagement\\_finrofs.htm](http://www.hm-treasury.gov.uk/fin_sector_assetmanagement_finrofs.htm)

## Annex A

### List of new instruments and addenda

(See also descriptions within Annex E)

#### Instruments made by the Board on 9 February 2011

Title of instrument	CP	Modules affected	No. of instrument	Changes effective
Fees (Electronic Money Application Fees) Instrument 2011	10/24	Glossary, <b>FEES</b>	FSA 2011/6	10.2.11
Electronic Money and Payment Services Instrument 2011	10/25	<b>Glossary</b> , PRIN, SYSC, COND, GEN, GENPRU, BIPRU, COBS, SUP, DEPP, DISP, ELM, PERG, BSOB, EG	FSA 2011/7	10.2.11; 30.4.11, 30.4.12

#### Instruments made or approved by the Board on 24 February 2011

Title of instrument	CP	Modules affected	No. of instrument	Changes effective
Prudential Sourcebook for Insurers (Amendment No 2) Instrument 2011	10/22 (Ch 4)	<b>INSPRU</b>	FSA 2011/8	6.3.11
Market Conduct Sourcebook (Amendment No 10) Instrument 2011	10/22 (Ch 6)	<b>MAR</b>	FSA 2011/9	6.3.11
Decision Procedure and Penalties Manual and Enforcement Guide (Amendment No 2) Instrument 2011	10/23	Glossary, GEN, <b>DEPP</b> , EG	FSA 2011/10	6.3.11
Collective Investment Schemes Sourcebook (Winding Up and Sub-fund Termination and Miscellaneous Amendments) Instrument 2011	10/22 (Ch 11)	<b>COLL</b>	FSA 2011/11	6.3.11
Employers' Liability Insurance: Disclosure by Insurers Instrument 2011	10/13	<b>ICOB</b> S, SUP	FSA 2011/12	6.3.11
Banking: Conduct of Business Sourcebook (Amendment No 2) Instrument 2011	10/15 (Ch 7)	Glossary, <b>BCOB</b> S	FSA 2011/13	6.3.11

Column 2 ("CP") shows the number of the corresponding consultation paper, where relevant.

Where the acronym of a module in Column 3 appears in **bold**, that module is the main one affected by the instrument shown, and changes made by that instrument are described in Chapter 2 or 3 under that module heading.

## Table of Handbook modules showing amending instruments

1. The first of the tables in this Annex lists the modules which make up the Handbook and the instruments by which they were made or amended, together with the date (in italics) on which each module was first commenced (in whole or in part), the date of each instrument which amended it and the number of the Handbook Notice which described the making or amendment. The subsequent tables list instruments making material which lies outside the Handbook.
2. For detailed information on dates in force, see the legal instruments by which the text was made or amended. The date on which each paragraph of the Handbook (or, where relevant, its latest amendment) came into force appears in the consolidated text of the Handbook in the margin of the text beneath the status letter for the paragraph.
3. An asterisk \* in this table beside the reference code for a module (or the heading of a table, for provisions outside the Handbook) shows that the Board made a change to that module at its last meeting.
4. The three columns on the right-hand side of this table show the FSA instrument number, the date the instrument was made and the number of the Handbook Notice ("HN") in which details of the instrument were first published.
5. This Annex reference only shows instruments made from 1 January 2008 onwards. We can however supply by email lists, for each Handbook module, of all instruments made *before* 31 December 2007. Requests, which should specify the relevant module(s), should be sent by email to [nick.walker@fsa.gov.uk](mailto:nick.walker@fsa.gov.uk) copied to [roslyn.anderson@fsa.gov.uk](mailto:roslyn.anderson@fsa.gov.uk)

## Handbook instruments made after 1 January 2008

Ref Code	Sourcebook or manual		
Name of Instrument		No of Inst	Date of Inst
			HN

<b>*GLOSSARY</b>			
<i>First brought into force</i>	-	21.6.01	-
Handbook Administration (No 8) Instrument 2008	2008/1	24.1.08	72
Collective Investment Schemes Sourcebook (UCITS Eligible Assets Directive and Other Amendments) Instrument 2008	2008/5	28.2.08	73
Regulated Covered Bonds Sourcebook Instrument 2008	2008/7	6.3.08	74
Regulated Covered Bonds (Related Amendments) Instrument 2008	2008/8	6.3.08	74
General Prudential Sourcebook (Adequacy of Financial Resources) (Amendment) Instrument 2008	2008/12	27.3.08	75
Permitted Links (Amendment No 2) Instrument 2008	2008/16	27.3.08	75
Integrated Regulatory Reporting (Removal of Annual Financial Returns and Reconciliations) Instrument 2008	2008/17	27.3.08	75
Dispute Resolution: Complaints (Simplification (No 2) and other Amendments) Instrument 2008 ( <i>made jointly with FOS as FOS 2008/3</i> )	2008/18	27.3.08	75
Handbook Administration (No 9) Instrument 2008	2008/19	24.4.08	76
Companies Act 2006 (Consequential Handbook Amendments) Instrument 2008	2008/22	22.5.08	77
Connected Travel Insurance Instrument 2008	2008/24	22.5.08	77
Market Conduct Sourcebook (Amendment No 9) Instrument 2008	2008/25	22.5.08	77
Collective Investment Schemes Sourcebook (Electronic Communications) Instrument 2008 <b>(REVOKED: July 2008)</b>	2008/27	22.5.08	77
Collective Investment Schemes Sourcebook (Property Authorised Investment Funds) Instrument 2008	2008/28	22.5.08	77
Short Selling Instrument 2008	2008/30	12.6.08	78
Disclosure Rules and Transparency Rules Sourcebook (Corporate Governance Rules) Instrument 2008	2008/32	26.6.08	78
Handbook Administration (No 10) Instrument 2008	2008/33	24.7.08	79
Glossary Amendment (Biofuels and Biomass) Instrument 2008	2008/34	24.7.08	79
Disclosure Documents (Amendment) Instrument 2008	2008/35	24.7.08	79
Supervision Manual (Controlled Functions) (Amendment) Instrument 2008	2008/37	24.7.08	79
Short Selling (No 2) Instrument 2008	2008/50	18.9.08	81
Short Selling (No 3) Instrument 2008	2008/51	23.9.08	81
Companies Act 2006 (Consequential Handbook Amendments No 2) Instrument 2008	2008/41	25.9.08	81
Client Assets Sourcebook (Common Platform Provisions) Instrument 2008	2008/45	25.9.08	81
Handbook Administration (No 11) Instrument 2008	2008/55	29.10.08	82
Glossary Amendment (Definition of Preference Share) Instrument 2008	2008/56	29.10.08	82
Financial Services Compensation Scheme (Amendment of Tariff Measures and Other Levy Rules) Instrument 2008	2008/57	29.10.08	82
Prudential Categories (Amendment) Instrument 2008	2008/65	4.12.08	83
Prudential Requirements for Insurers (Amendment No 3) Instrument 2008	2008/66	4.12.08	83
Decision Procedure and Penalties Manual and Enforcement Guide (Amendment) Instrument 2008	2008/68	4.12.08	83
Listing Rules (Sponsors) (Amendment) Instrument 2008	2008/70	4.12.08	83
Short Selling (No 5) Instrument 2009	2009/1	14.1.09	84
Collective Investment Schemes Sourcebook (Electronic Communications) Instrument 2009	2009/5	22.1.09	84
Supervision Manual (Passporting and Reinsurance) (Amendment) Instrument 2009	2009/9	26.2.09	85
Trading Plan Instrument 2009	2009/12	26.2.09	85
Payment Services Instrument 2009	2009/14	26.3.09	86
Collective Investment Schemes Sourcebook (Consequential Amendments No 2) Instrument 2009	2009/18	26.3.09	86
Supervision Manual (Controllers) (Amendment) Instrument 2009	2009/20	26.3.09	86
Handbook Administration (No 13) Instrument 2009	2009/22	23.4.09	87
Fees (Payment Services) Instrument 2009	2009/23	23.4.09	87
Banking: Conduct of Business Sourcebook Instrument 2009	2009/24	23.4.09	87
Periodic Fees (2009/2010) and Other Fees Instrument 2009	2009/27	28.5.09	88
Fees (Payment Services) (No 2) Instrument 2009	2009/28	28.5.09	88
Compensation Sourcebook (Deposit Guarantee Schemes Directive Amendments) Instrument 2009	2009/29	28.5.09	88
Recognised Investment Exchanges and Recognised Clearing Houses Sourcebook (Amendments to	2009/30	28.5.09	88

Ref Code	Sourcebook or manual		
Name of Instrument		No of Inst	Date of Inst
			HN
	Recognition Requirements) Instrument 2009		
	Interim Permitted Regulated Sale and Rent Back Activities Instrument 2009 ( <i>made jointly with FOS as FOS 2009/3</i> )	2009/36	1.7.09 90
	Handbook Administration (No 14) Instrument 2009	2009/37	23.7.09 90
	Dormant Bank and Building Society Accounts Instrument 2009	2009/38	23.7.09 90
	Supervision Manual (Controlled Functions) (Amendment No 2) Instrument 2009	2009/42	23.7.09 90
	Collective Investment Schemes Sourcebook (Single Sub-fund Umbrellas) Instrument 2009	2009/44	23.7.09 90
	Financial Services Compensation Scheme (Banking Compensation Reform) Instrument 2009	2009/47	23.7.09 90
	Senior Management Arrangements, Systems and Controls (Remuneration Code) Instrument 2009	2009/48	11.8.09 91
	Payment Services (Financial Ombudsman Service Case Fees 2009/2010) Instrument 2009 ( <i>instrument made by FOS</i> )	FOS 2009/4	16.9.09 92
	Handbook Administration (No 15) Instrument 2009	2009/49	24.9.09 92
	Companies Act 2006 (Consequential Handbook Amendments No 3) Instrument 2009	2009/50	24.9.09 92
	Banking: Conduct of Business Sourcebook (Amendment) and Consequential Amendments Instrument 2009	2009/52	24.9.09 92
	Listing Rules Sourcebook (Amendment No 3) Instrument 2009	2009/54	24.9.09 92
	Prudential Sourcebook for Banks, Building Societies and Investment Firms (Liquidity) Instrument 2009	2009/55	30.9.09 93
	Supervision Manual (Integrated Regulatory Reporting of Liquidity for Banks, Building Societies and Investment Firms) Instrument 2009	2009/56	30.9.09 93
	Payment Services (Gibraltar-based Firms) Instrument 2009 ( <i>instrument made jointly with FOS as FOS 2009/5</i> )	2009/57	5.11.09 94
	Approved Reinsurance to Close Instrument 2009	2009/61	5.11.09 94
	Capital Resources and Professional Indemnity Insurance Requirements for Personal Investment Firms Instrument 2009	2009/62	5.11.09 94
	Financial Services Compensation Scheme (Single Customer View Supervision and other Amendments) Instrument 2009	2009/66	5.11.09 94
	Treaty of Lisbon (Consequential Handbook Amendments) Instrument 2009	2009/67	27.11.09 95
	Prudential Sourcebook for Banks, Building Societies and Investment Firms (Liquidity) (Consequential Amendments) Instrument 2009	2009/68	27.11.09 95
	Handbook Administration (No 16) Instrument 2009	2009/69	10.12.09 95
	Prudential Requirements (Stress Testing) Instrument 2009	2009/72	10.12.09 95
	Sale and Rent Back Instrument 2010	2010/1	28.1.10 96
	Dispute Resolution: Complaints (Publication of Complaints Data) Instrument 2010	2010/2	28.1.10 96
	Collective Investment Schemes Sourcebook (Accounting Amendments) Instrument 2010	2010/3	28.1.10 96
	Funds of Alternative Investment Funds Instrument 2010	2010/5	25.2.10 97
	Alternative Finance Investment Bonds Instrument 2010	2010/6	25.2.10 97
	Listing Rules Sourcebook (Amendment No 4) Instrument 2010	2010/7	25.2.10 97
	Handbook Administration (No 17) Instrument 2010	2010/8	25.3.10 98
	Building Societies Sourcebook Instrument 2010	2010/11	25.3.10 98
	Retail Distribution Review (Adviser Charging) Instrument 2010	2010/12	25.3.10 98
	Periodic Fees (2010/2011) and Other Fees Instrument 2010	2010/15	27.5.10 100
	Fees (CFEB Levy) Instrument 2010	2010/16	27.5.10 100
	Handbook Administration (No 18) Instrument 2010	2010/19	24.6.10 101
	Retail Distribution Review (Corporate Pensions) Instrument 2010	2010/21	24.6.10 101
	Financial Stability and Market Confidence Sourcebook Instrument 2010	2010/25	22.7.10 102
	Enforcement Powers (Financial Services Act 2010) Instrument 2010	2010/26	22.7.10 102
	Financial Services Compensation Scheme (Financial Services Act 2010) Instrument 2010	2010/27	22.7.10 102
	Consequential Amendments (Financial Services Act 2010) Instrument 2010	2010/28	22.7.10 102
	Capital Requirements Directive (Handbook Amendments) Instrument 2010	2010/29	22.7.10 102
	UK Corporate Governance Code (Handbook Amendments) Instrument 2010	2010/39	22.7.10 102
	Handbook Administration (No 19) Instrument 2010	2010/40	23.9.10 103
	Capital Requirements Directive (Large Exposures) Instrument 2010	2010/41	23.9.10 103
	Prudential Requirements (Capital Planning Buffer) Instrument 2010	2010/42	23.9.10 103
	Liquidity Standards (Miscellaneous Amendments) Instrument 2010	2010/43	23.9.10 103
	Financial Services Compensation Scheme (Financial Services Act 2010) (No 2) Instrument 2010	2010/45	23.9.10 103

Ref Code	Sourcebook or manual		
Name of Instrument		No of Inst	Date of Inst
			HN
	Retail Distribution Review (Pure Protection) Instrument 2010	2010/46	23.9.10 103
	Controlled Functions (Amendment) Instrument 2010	2010/48	23.9.10 103
	Disclosure Rules and Transparency Rules Sourcebook (Amendment No 4) Instrument 2010	2010/51	23.9.10 103
	Client Assets Sourcebook (Enhancement) Instrument 2010	2010/52	13.10.10 104
	Public Awareness Objective (Financial Services Act 2010) Instrument 2010	2010/53	10.11.10 104
	Conduct of Business Sourcebook (Abolition of Contracting Out for Defined Contribution Schemes) Instrument 2010	2010/58	10.11.10 104
	Handbook Administration (No 20) Instrument 2010	2010/61	16.12.10 105
	Fees (Miscellaneous Amendments and Financial Ombudsman Service Rules) Instrument 2010 ( <i>made jointly with FOS as FOS 2010/3</i> )	2010/63	16.12.10 105
	Retail Distribution Review (Training and Competence) Instrument 2011	2011/5	19.1.11 106
	Fees (Electronic Money Application Fees) Instrument 2011	2011/6	9.2.11 107
	Electronic Money and Payment Services Instrument 2011	2011/7	9.2.11 107
	Decision Procedure and Penalties Manual and Enforcement Guide (Amendment No 2) Instrument 2011	2011/10	24.2.11 107
	Banking: Conduct of Business Sourcebook (Amendment No 2) Instrument 2011	2011/13	24.2.11 107

## HIGH LEVEL STANDARDS

*PRIN	The Principles for Businesses		
	<i>First brought into force</i>	-	1.12.01 -
	Handbook Administration (No 11) Instrument 2008	2008/55	29.10.08 82
	Payment Services Instrument 2009	2009/14	26.3.09 86
	Banking: Conduct of Business Sourcebook Instrument 2009	2009/24	23.4.09 87
	Dormant Bank and Building Society Accounts Instrument 2009	2009/38	23.7.09 90
	Handbook Administration (No 15) Instrument 2009	2009/49	24.9.09 92
	Treaty of Lisbon (Consequential Handbook Amendments) Instrument 2009	2009/67	27.11.09 95
	Consequential Amendments (Financial Services Act 2010) Instrument 2010	2010/28	22.7.10 102
	Handbook Administration (No 20) Instrument 2010	2010/61	16.12.10 105
	Electronic Money and Payment Services Instrument 2011	2011/7	9.2.11 107

*SYSC	Senior Management Arrangements, Systems and Controls		
	<i>First brought into force</i>	-	1.12.01 -
	Conduct of Business Sourcebook (Recording of Telephone Conversations and Electronic Communications) Instrument 2008	2008/6	28.2.08 73
	Handbook Administration (No 10) Instrument 2008	2008/33	24.7.08 79
	Supervision Manual (Controlled Functions) (Amendment) Instrument 2008	2008/37	24.7.08 79
	Senior Management Arrangements, Systems and Controls (Extension of Common Platform Provisions) Instrument 2008	2008/40	25.9.08 81
	Senior Management Arrangements, Systems and Controls (Amendment No 2) Instrument 2009	2009/7	26.2.09 85
	Collective Investment Schemes Sourcebook (Consequential Amendments No 2) Instrument 2009	2009/18	26.3.09 86
	Handbook Administration (No 13) Instrument 2009	2009/22	23.4.09 87
	Interim Permitted Regulated Sale and Rent Back Activities Instrument 2009 ( <i>made jointly with FOS as FOS 2009/3</i> )	2009/36	1.7.09 90
	Handbook Administration (No 14) Instrument 2009	2009/37	23.7.09 90
	Dormant Bank and Building Society Accounts Instrument 2009	2009/38	23.7.09 90
	Senior Management Arrangements, Systems and Controls (Remuneration Code) Instrument 2009	2009/48	11.8.09 91
	Handbook Administration (No 15) Instrument 2009	2009/49	24.9.09 92
	Prudential Sourcebook for Banks, Building Societies and Investment Firms (Liquidity) Instrument 2009	2009/55	30.9.09 93
	Treaty of Lisbon (Consequential Handbook Amendments) Instrument 2009	2009/67	27.11.09 95
	Prudential Sourcebook for Banks, Building Societies and Investment Firms (Liquidity) (Consequential Amendments) Instrument 2009	2009/68	27.11.09 95
	Prudential Requirements (Stress Testing) Instrument 2009	2009/72	10.12.09 95

Ref Code	Sourcebook or manual		
Name of Instrument		No of Inst	Date of Inst
			HN
Consequential Amendments (Financial Services Act 2010) Instrument 2010		2010/28	22.7.10 102
UK Corporate Governance Code (Handbook Amendments) Instrument 2010		2010/39	22.7.10 102
Handbook Administration (No 19) Instrument 2010		2010/40	23.9.10 103
Liquidity Standards (Miscellaneous Amendments) Instrument 2010		2010/43	23.9.10 103
Controlled Functions (Amendment) Instrument 2010		2010/48	23.9.10 103
Handbook Administration (No 20) Instrument 2010		2010/61	16.12.10 105
Senior Management Arrangements, Systems and Controls (Reverse Stress Testing) (Amendment) Instrument 2010		2010/64	16.12.10 105
Training and Competence Sourcebook (Qualification Requirements and Time Limits) Instrument 2010		2010/65	16.12.10 105
Electronic Money and Payment Services Instrument 2011		2011/7	9.2.11 107

*COND	Threshold Conditions		
<i>First brought into force</i>		-	3.9.01 -
Handbook Administration (No 8) Instrument 2008		2008/1	24.1.08 72
Handbook Administration (No 11) Instrument 2008		2008/55	29.10.08 82
Threshold Conditions (Banking Act 2009) Instrument 2009		2009/39	23.7.09 90
Companies Act 2006 (Consequential Handbook Amendments No 3) Instrument 2009		2009/50	24.9.09 92
Close Links Reporting Instrument 2009		2009/63	5.11.09 94
Handbook Administration (No 17) Instrument 2010		2010/8	25.3.10 98
Financial Stability and Market Confidence Sourcebook Instrument 2010		2010/25	22.7.10 102
Consequential Amendments (Financial Services Act 2010) Instrument 2010		2010/28	22.7.10 102
Handbook Administration (No 19) Instrument 2010		2010/40	23.9.10 103
Electronic Money and Payment Services Instrument 2011		2011/7	9.2.11 107

APER	Statements of Principle and Code of Practice for Approved Persons		
<i>First brought into force</i>		-	1.12.01 -
Senior Management Arrangements, Systems and Controls (Extension of Common Platform Provisions) Instrument 2008		2008/40	25.9.08 81
Supervision Manual (Controlled Functions) (Amendment No 2) Instrument 2009		2009/42	23.7.09 90
Handbook Administration (No 18) Instrument 2010		2010/19	24.6.10 101
UK Corporate Governance Code (Handbook Amendments) Instrument 2010		2010/39	22.7.10 102
Controlled Functions (Amendment) Instrument 2010		2010/48	23.9.10 103
Training and Competence Sourcebook (Qualification Requirements and Time Limits) Instrument 2010		2010/65	16.12.10 105

FIT	The Fit and Proper test for Approved Persons		
<i>First brought into force</i>		-	3.9.01 -
Senior Management Arrangements, Systems and Controls (Extension of Common Platform Provisions) Instrument 2008		2008/40	25.9.08 81
Handbook Administration (No 12) Instrument 2009		2009/3	22.1.09 84
Handbook Administration (No 13) Instrument 2009		2009/22	23.4.09 87
Handbook Administration (No 19) Instrument 2010		2010/40	23.9.10 103
Controlled Functions (Amendment) Instrument 2010		2010/48	23.9.10 103

FINMAR	Financial Stability and Market Confidence sourcebook		
<i>First brought into force</i>		-	6.8.10 -
Financial Stability and Market Confidence Sourcebook Instrument 2010		2010/25	22.7.10 102
Handbook Administration (No 20) Instrument 2010		2010/61	16.12.10 105

TC	Training and Competence		
<i>First brought into force</i>		-	1.12.01 -



Ref Code	Sourcebook or manual		
Name of Instrument		No of Inst	Date of Inst
			HN
Handbook Administration (No 8) Instrument 2008		2008/1	24.1.08 72
Interim Permitted Regulated Sale and Rent Back Activities Instrument 2009 ( <i>made jointly with FOS as FOS 2009/3</i> )		2009/36	1.7.09 90
Treaty of Lisbon (Consequential Handbook Amendments) Instrument 2009		2009/67	27.11.09 95
Handbook Administration (No 20) Instrument 2010		2010/61	16.12.10 105
Training and Competence Sourcebook (Qualification Requirements and Time Limits) Instrument 2010		2010/65	16.12.10 105
Retail Distribution Review (Training and Competence) Instrument 2011		2011/5	19.1.11 106

*GEN	General Provisions		
<i>First brought into force</i>		-	21.6.01 -
Handbook Administration (No 8) Instrument 2008		2008/1	24.1.08 72
Regulatory Reform (Financial Services and Markets Act 2000) Order 2007 (Consequential Handbook Amendments) Instrument 2008		2008/2	24.1.08 72
Companies Act 2006 (Transitional Provisions) Instrument 2008		2008/9	27.3.08 75
Companies Act 2006 (Consequential Handbook Amendments) Instrument 2008		2008/22	22.5.08 77
Disclosure Documents (Amendment) Instrument 2008		2008/35	24.7.08 79
FSA Logo Licence (Amendment) Instrument 2008		2008/39	20.8.08 80
Status Disclosure and FSA Logo Instrument 2008		2008/42	25.9.08 81
Handbook Administration (No 11) Instrument 2008		2008/55	29.10.08 82
Payment Services Instrument 2009		2009/14	26.3.09 86
Handbook Administration (No 14) Instrument 2009		2009/37	23.7.09 90
Handbook Administration (No 15) Instrument 2009		2009/49	24.9.09 92
Companies Act 2006 (Consequential Handbook Amendments No 3) Instrument 2009		2009/50	24.9.09 92
Banking: Conduct of Business Sourcebook (Amendment) and Consequential Amendments Instrument 2009		2009/52	24.9.09 92
Treaty of Lisbon (Consequential Handbook Amendments) Instrument 2009		2009/67	27.11.09 95
Handbook Administration (No 16) Instrument 2009		2009/69	10.12.09 95
Sale and Rent Back Instrument 2010		2010/1	28.1.10 96
Handbook Administration (No 19) Instrument 2010		2010/40	23.9.10 103
Public Awareness Objective (Financial Services Act 2010) Instrument 2010		2010/53	10.11.10 104
Handbook Administration (No 20) Instrument 2010		2010/61	16.12.10 105
Electronic Money and Payment Services Instrument 2011		2011/7	9.2.11 107
Decision Procedure and Penalties Manual and Enforcement Guide (Amendment No 2) Instrument 2011		2011/10	24.2.11 107

*FEES	Fees		
<i>First brought into force</i>		-	1.1.06 -
Handbook Administration (No 8) Instrument 2008		2008/1	24.1.08 72
Fees Provisions (2008/2009) Instrument 2008		2008/10	27.3.08 75
Financial Services Compensation Scheme (Amendment of Fees Provisions) Instrument 2008		2008/11	27.3.08 75
Fees Manual (Financial Ombudsman Service Case Fees 2008/2009) Instrument 2008		FOS 2008/2	5.3.08 75
Dispute Resolution: Complaints (Simplification (No 2) and other Amendments) Instrument 2008 ( <i>made jointly with FOS as FOS 2008/3</i> )		2008/18	27.3.08 75
Periodic Fees (2008/2009) and Other Fees Instrument 2008		2008/23	22.5.08 77
Connected Travel Insurance Instrument 2008		2008/24	22.5.08 77
Handbook Administration (No 10) Instrument 2008		2008/33	24.7.08 79
Periodic Fees (Solvency 2) Instrument 2008		2008/43	25.9.08 81
Fees (Transaction Reporting) (Amendment) Instrument 2008		2008/49	25.9.08 81
Financial Services Compensation Scheme (Amendment of Fees Provisions (No 2)) Instrument 2008		2008/52	29.9.08 82
Financial Services Compensation Scheme (Amendment of Fees Provisions (No 3)) Instrument 2008		2008/54	7.10.08 82
Handbook Administration (No 11) Instrument 2008		2008/55	29.10.08 82
Financial Services Compensation Scheme (Amendment of Tariff Measures and Other Levy Rules) Instrument 2008		2008/57	29.10.08 82

Ref Code	Sourcebook or manual		
Name of Instrument		No of Inst	Date of Inst
			HN
	Financial Services Compensation Scheme (Amendment of Fees Provisions (No 4)) Instrument 2008	2008/63	29.10.08 82
	Fees Manual (Financial Ombudsman Service Case Fees 2009/2010) Instrument 2009	FOS 2009/2	13.3.09 86
	Fees Provisions (2009/2010) Instrument 2009	2009/15	26.3.09 86
	Fees (Miscellaneous Amendments) Instrument 2009	2009/16	26.3.09 86
	Collective Investment Schemes Sourcebook (Consequential Amendments No 2) Instrument 2009	2009/18	26.3.09 86
	Handbook Administration (No 13) Instrument 2009	2009/22	23.4.09 87
	Fees (Payment Services) Instrument 2009	2009/23	23.4.09 87
	Periodic Fees (2009/2010) and Other Fees Instrument 2009	2009/27	28.5.09 88
	Fees (Payment Services) (No 2) Instrument 2009	2009/28	28.5.09 88
	Fees (Electronic Payments) Instrument 2009	2009/32	25.6.09 89
	Interim Permitted Regulated Sale and Rent Back Activities Instrument 2009 ( <i>made jointly with FOS as FOS 2009/3</i> )	2009/36	1.7.09 90
	Dormant Bank and Building Society Accounts Instrument 2009	2009/38	23.7.09 90
	Financial Services Compensation Scheme (Banking Compensation Reform) Instrument 2009	2009/47	23.7.09 90
	Payment Services (Financial Ombudsman Service Case Fees 2009/2010) Instrument 2009 ( <i>instrument made by FOS</i> )	FOS 2009/4	16.9.09 92
	Handbook Administration (No 15) Instrument 2009	2009/49	24.9.09 92
	Financial Services Compensation Scheme (Single Customer View Supervision and other Amendments) Instrument 2009	2009/66	5.11.09 94
	Fees (Miscellaneous Amendments) (No 2) Instrument 2009	2009/70	10.12.09 95
	Fees (Building Societies) Instrument 2009	2009/71	10.12.09 95
	Sale and Rent Back Instrument 2010	2010/1	28.1.10 96
	Fees Manual (Financial Ombudsman Service Case Fees 2010/2011) Instrument 2010	FOS 2010/1	10.3.10 98
	Handbook Administration (No 17) Instrument 2010	2010/8	25.3.10 98
	Fees Provisions (2010/2011) Instrument 2010	2010/9	25.3.10 98
	Fees Provisions (Amendment No 2) Instrument 2010	2010/10	25.3.10 98
	Periodic Fees (2010/2011) and Other Fees Instrument 2010	2010/15	27.5.10 100
	Fees (CFEB Levy) Instrument 2010	2010/16	27.5.10 100
	Fees (Special Project Fee for Restructuring) (Amendment) Instrument 2010	2010/20	24.6.10 101
	Financial Services Compensation Scheme (Financial Services Act 2010) Instrument 2010	2010/27	22.7.10 102
	Financial Services Compensation Scheme (Financial Services Act 2010) (No 2) Instrument 2010	2010/45	23.9.10 103
	Financial Services Compensation Scheme (Deposit Tariff Base Amendment) Instrument 2010	2010/54	10.11.10 104
	Handbook Administration (No 20) Instrument 2010	2010/61	16.12.10 105
	Fees Provisions (Amendment No 3) Instrument 2010	2010/62	16.12.10 105
	Fees (Miscellaneous Amendments and Financial Ombudsman Service Rules) Instrument 2010 ( <i>made jointly with FOS as FOS 2010/3</i> )	2010/63	16.12.10 105
	Retail Distribution Review (Training and Competence) Instrument 2011	2011/5	19.1.11 106
	Fees (Electronic Money Application Fees) Instrument 2011	2011/6	9.2.11 107

## PRUDENTIAL STANDARDS

*GENPRU	General Prudential sourcebook		
	<i>First brought into force (in part)</i>		31.12.06
	General Prudential Sourcebook (Capital Resources Amendment) Instrument 2008	2008/3	24.1.08 72
	General Prudential Sourcebook (Adequacy of Financial Resources) (Amendment) Instrument 2008	2008/12	27.3.08 75
	Companies Act 2006 (Consequential Handbook Amendments) Instrument 2008	2008/22	22.5.08 77
	General Prudential Sourcebook (Capital Adequacy Calculations for Financial Conglomerates) (Amendment) Instrument 2008	2008/31	26.6.08 78
	Prudential Requirements for Insurers (Amendment No 3) Instrument 2008	2008/66	4.12.08 83
	General Prudential Sourcebook (Notification of Redemption or Repayment) Instrument 2009	2009/8	26.2.09 85
	Reclassification of Available-For-Sale Debt Instrument 2009	2009/40	23.7.09 90
	Senior Management Arrangements, Systems and Controls (Remuneration Code) Instrument 2009	2009/48	11.8.09 91
	Companies Act 2006 (Consequential Handbook Amendments No 3) Instrument 2009	2009/50	24.9.09 92

Ref Code	Sourcebook or manual		
Name of Instrument		No of Inst	Date of Inst
			HN
	Prudential Requirements for Insurers (Amendment No 4) Instrument 2009	2009/60	5.11.09 94
	Treaty of Lisbon (Consequential Handbook Amendments) Instrument 2009	2009/67	27.11.09 95
	Prudential Sourcebook for Banks, Building Societies and Investment Firms (Liquidity) (Consequential Amendments) Instrument 2009	2009/68	27.11.09 95
	Prudential Requirements (Stress Testing) Instrument 2009	2009/72	10.12.09 95
	Handbook Administration (No 17) Instrument 2010	2010/8	25.3.10 98
	Handbook Administration (No 18) Instrument 2010	2010/19	24.6.10 101
	Capital Requirements Directive (Handbook Amendments) Instrument 2010	2010/29	22.7.10 102
	Handbook Administration (No 19) Instrument 2010	2010/40	23.9.10 103
	Capital Requirements Directive (Large Exposures) Instrument 2010	2010/41	23.9.10 103
	Prudential Requirements (Capital Planning Buffer) Instrument 2010	2010/42	23.9.10 103
	Capital Requirements Directive (Handbook Amendments No 2) Instrument 2010	2010/66	16.12.10 105
	Electronic Money and Payment Services Instrument 2011	2011/7	9.2.11 107

*BIPRU	Prudential sourcebook for Banks, Building Societies and Investment Firms		
	<i>First brought into force (in part)</i>		1.1.07
	Prudential Sourcebook for Banks, Building Societies and Investment Firms (Lifetime Mortgages) Instrument 2008	2008/4	28.2.08 73
	Companies Act 2006 (Consequential Handbook Amendments) Instrument 2008	2008/22	22.5.08 77
	Prudential Sourcebook for Banks, Building Societies and Investment Firms (Credit Derivatives Specific Risk) Instrument 2008	2008/58	29.10.08 82
	Handbook Administration (No 13) Instrument 2009	2009/22	23.4.09 87
	Handbook Administration (No 15) Instrument 2009	2009/49	24.9.09 92
	Prudential Sourcebook for Banks, Building Societies and Investment Firms (Liquidity) Instrument 2009	2009/55	30.9.09 93
	Prudential Sourcebook for Banks, Building Societies and Investment Firms (Capital Floors) Instrument 2009	2009/58	5.11.09 94
	Prudential Sourcebook for Banks, Building Societies and Investment Firms (Large Exposures Transitional Provisions) (Amendment) Instrument 2009	2009/59	5.11.09 94
	Treaty of Lisbon (Consequential Handbook Amendments) Instrument 2009	2009/67	27.11.09 95
	Prudential Sourcebook for Banks, Building Societies and Investment Firms (Liquidity) (Consequential Amendments) Instrument 2009	2009/68	27.11.09 95
	Prudential Requirements (Stress Testing) Instrument 2009	2009/72	10.12.09 95
	Prudential Sourcebook for Banks, Building Societies and Investment Firms (Short-Term Trade Finance Transactions) Instrument 2009	2009/73	10.12.09 95
	Consequential Amendments (Financial Services Act 2010) Instrument 2010	2010/28	22.7.10 102
	Capital Requirements Directive (Handbook Amendments) Instrument 2010	2010/29	22.7.10 102
	Prudential Sourcebook for Banks, Building Societies and Investment Firms (Liquidity) (Amendment) Instrument 2010	2010/30	22.7.10 102
	Handbook Administration (No 19) Instrument 2010	2010/40	23.9.10 103
	Capital Requirements Directive (Large Exposures) Instrument 2010	2010/41	23.9.10 103
	Prudential Requirements (Capital Planning Buffer) Instrument 2010	2010/42	23.9.10 103
	Liquidity Standards (Miscellaneous Amendments) Instrument 2010	2010/43	23.9.10 103
	Capital Requirements Directive (Handbook Amendments No 2) Instrument 2010	2010/66	16.12.10 105
	Prudential Sourcebook for Banks, Building Societies and Investment Firms (Remuneration Disclosures) Instrument 2010	2010/73	16.12.10 105
	Electronic Money and Payment Services Instrument 2011	2011/7	9.2.11 107

*INSRU	Prudential sourcebook for Insurers		
	<i>First brought into force</i>		31.12.06
	Regulated Covered Bonds (Related Amendments) Instrument 2008	2008/8	6.3.08 74
	Prudential Sourcebook for Insurers (Amendment) Instrument 2008	2008/13	27.3.08 75
	Prudential Requirements for Insurers (Amendment No 3) Instrument 2008	2008/66	4.12.08 83
	Handbook Administration (No 15) Instrument 2009	2009/49	24.9.09 92
	Prudential Requirements for Insurers (Amendment No 4) Instrument 2009	2009/60	5.11.09 94

Ref Code	Sourcebook or manual	No of Inst	Date of Inst	HN
Name of Instrument				
	Approved Reinsurance to Close Instrument 2009	2009/61	5.11.09	94
	Treaty of Lisbon (Consequential Handbook Amendments) Instrument 2009	2009/67	27.11.09	95
	Handbook Administration (No 16) Instrument 2009	2009/69	10.12.09	95
	Prudential Requirements (Stress Testing) Instrument 2009	2009/72	10.12.09	95
	Consequential Amendments (Financial Services Act 2010) Instrument 2010	2010/28	22.7.10	102
	Prudential Requirements for Insurers (Amendment No 5) Instrument 2010	2010/44	23.9.10	103
	Prudential Sourcebook for Insurers (Amendment No 2) Instrument 2011	2011/8	24.2.11	107

MIPRU	Prudential sourcebook for Mortgage and Home Finance Firms, and Insurance Intermediaries			
	<i>First brought into force</i>		1.1.07	
	Prudential Sourcebook for Mortgage and Home Finance Firms, and Insurance Intermediaries (Use of Intermediaries) Instrument 2008	2008/14	27.3.08	75
	Companies Act 2006 (Consequential Handbook Amendments) Instrument 2008	2008/22	22.5.08	77
	Connected Travel Insurance Instrument 2008	2008/24	22.5.08	77
	Handbook Administration (No 10) Instrument 2008	2008/33	24.7.08	79
	Senior Management Arrangements, Systems and Controls (Extension of Common Platform Provisions) Instrument 2008	2008/40	25.9.08	81
	Professional Indemnity Insurance (Limits of Indemnity) Instrument 2009	2009/4	22.1.09	84
	Reclassification of Available-For-Sale Debt Instrument 2009	2009/40	23.7.09	90
	Handbook Administration (No 15) Instrument 2009	2009/49	24.9.09	92
	Handbook Administration (No 16) Instrument 2009	2009/69	10.12.09	95
	Sale and Rent Back Instrument 2010	2010/1	28.1.10	96

UPRU	Prudential sourcebook for UCITS Firms			
	<i>First brought into force</i>		1.1.07	
	Integrated Regulatory Reporting (Removal of Annual Financial Returns and Reconciliations) Instrument 2008	2008/17	27.3.08	75
	Handbook Administration (No 13) Instrument 2009	2009/22	23.4.09	87
	Consequential Amendments (Financial Services Act 2010) Instrument 2010	2010/28	22.7.10	102

IPRU (BANK)	Interim Prudential sourcebook: Banks			
	<i>First brought into force</i>	-	1.12.01	-
	Prudential Sourcebook for Banks, Building Societies and Investment Firms (Liquidity) (Consequential Amendments) Instrument 2009	2009/68	27.11.09	95

IPRU (BSOC)	Interim Prudential sourcebook: Building Societies			
	<i>First brought into force</i>	-	1.12.01	-
	Senior Management Arrangements, Systems and Controls (Extension of Common Platform Provisions) Instrument 2008	2008/40	25.9.08	81
	Prudential Sourcebook for Banks, Building Societies and Investment Firms (Liquidity) (Consequential Amendments) Instrument 2009	2009/68	27.11.09	95
	Building Societies Sourcebook Instrument 2010	2010/11	25.3.10	98

IPRU (FSOC)	Interim Prudential sourcebook: Friendly Societies			
	<i>First brought into force</i>	-	1.12.01	-
	Handbook Administration (No 8) Instrument 2008	2008/1	24.1.08	72
	Handbook Administration (No 9) Instrument 2008	2008/19	24.4.08	76

Ref Code	Sourcebook or manual	No of Inst	Date of Inst
Name of Instrument		HN	
Companies Act 2006 (Consequential Handbook Amendments) Instrument 2008		2008/22	22.5.08
Prudential Requirements for Insurers (Amendment No 3) Instrument 2008		2008/66	4.12.08
Companies Act 2006 (Consequential Handbook Amendments No 3) Instrument 2009		2009/50	24.9.09
Prudential Requirements for Insurers (Amendment No 4) Instrument 2009		2009/60	5.11.09
Treaty of Lisbon (Consequential Handbook Amendments) Instrument 2009		2009/67	27.11.09

IPRU (INS)	Interim Prudential sourcebook: Insurers		
<i>First brought into force</i>	-	1.12.01	-
Handbook Administration (No 8) Instrument 2008	2008/1	24.1.08	72
Interim Prudential sourcebook for Insurers (Marine Mutuels Reporting) (Amendment) Instrument 2008	2008/15	27.3.08	75
Companies Act 2006 (Consequential Handbook Amendments) Instrument 2008	2008/22	22.5.08	77
Prudential Requirements for Insurers (Amendment No 3) Instrument 2008	2008/66	4.12.08	83
Interim Prudential Sourcebook for Insurers (Other EEA States Insurance Statistics Amendment) Instrument 2009	2009/33	25.6.09	89
Companies Act 2006 (Consequential Handbook Amendments No 3) Instrument 2009	2009/50	24.9.09	92
Prudential Requirements for Insurers (Amendment No 4) Instrument 2009	2009/60	5.11.09	94

IPRU (INV)	Interim Prudential sourcebook: Investment Businesses		
<i>First brought into force</i>	-	1.12.01	-
Integrated Regulatory Reporting (Removal of Annual Financial Returns and Reconciliations) Instrument 2008	2008/17	27.3.08	75
Companies Act 2006 (Consequential Handbook Amendments) Instrument 2008	2008/22	22.5.08	77
Senior Management Arrangements, Systems and Controls (Extension of Common Platform Provisions) Instrument 2008	2008/40	25.9.08	81
Companies Act 2006 (Consequential Handbook Amendments No 2) Instrument 2008	2008/41	25.9.08	81
Handbook Administration (No 11) Instrument 2008	2008/55	29.10.08	82
Professional Indemnity Insurance (Limits of Indemnity) Instrument 2009	2009/4	22.1.09	84
Companies Act 2006 (Consequential Handbook Amendments No 3) Instrument 2009	2009/50	24.9.09	92
Capital Resources and Professional Indemnity Insurance Requirements for Personal Investment Firms Instrument 2009	2009/62	5.11.09	94
Treaty of Lisbon (Consequential Handbook Amendments) Instrument 2009	2009/67	27.11.09	95
Handbook Administration (No 16) Instrument 2009	2009/69	10.12.09	95
Handbook Administration (No 18) Instrument 2010	2010/19	24.6.10	101

## BUSINESS STANDARDS

*COBS	Conduct of Business		
<i>First brought into force</i>	-	1.11.07	-
Handbook Administration (No 8) Instrument 2008	2008/1	24.1.08	72
Conduct of Business Sourcebook (Recording of Telephone Conversations and Electronic Communications) Instrument 2008	2008/6	28.2.08	73
Permitted Links (Amendment No 2) Instrument 2008	2008/16	27.3.08	75
Handbook Administration (No 9) Instrument 2008	2008/19	24.4.08	76
Handbook Administration (No 10) Instrument 2008	2008/33	24.7.08	79
Disclosure Documents (Amendment) Instrument 2008	2008/35	24.7.08	79
Conduct of Business Sourcebook (Amendment) Instrument 2008	2008/36	24.7.08	79
Senior Management Arrangements, Systems and Controls (Extension of Common Platform Provisions) Instrument 2008	2008/40	25.9.08	81
Self-Invested Personal Pensions (Contracting Out) Instrument 2008	2008/44	25.9.08	81
Client Assets Sourcebook (Common Platform Provisions) Instrument 2008	2008/45	25.9.08	81

Ref Code	Sourcebook or manual		
Name of Instrument		No of Inst	Date of Inst
			HN
	Handbook Administration (No 11) Instrument 2008	2008/55	29.10.08 82
	Conduct of Business Sourcebook (Record Keeping for Inducements) Instrument 2008	2008/59	29.10.08 82
	Conduct of Business Sourcebook (Product Information for Variation of Personal Pension Schemes) Instrument 2008	2008/67	4.12.08 83
	Handbook Administration (No 12) Instrument 2009	2009/3	22.1.09 84
	Payment Services Instrument 2009	2009/14	26.3.09 86
	Financial Services Compensation Scheme (Limits Amendment) Instrument 2009	2009/25	23.4.09 87
	With-Profits Funds: Payments of Compensation and Redress Instrument 2009	2009/41	23.7.09 90
	Handbook Administration (No 15) Instrument 2009	2009/49	24.9.09 92
	Banking: Conduct of Business Sourcebook (Amendment) and Consequential Amendments Instrument 2009	2009/52	24.9.09 92
	Treaty of Lisbon (Consequential Handbook Amendments) Instrument 2009	2009/67	27.11.09 95
	Retail Distribution Review (Adviser Charging) Instrument 2010	2010/12	25.3.10 98
	Handbook Administration (No 18) Instrument 2010	2010/19	24.6.10 101
	Retail Distribution Review (Corporate Pensions) Instrument 2010	2010/21	24.6.10 101
	Financial Promotions (Amendment) Instrument 2010	2010/31	22.7.10 102
	Retail Distribution Review (Pure Protection) Instrument 2010	2010/46	23.9.10 103
	Conduct of Business Sourcebook (Recording of Telephone Conversations and Electronic Communications) (No 2) Instrument 2010	2010/56	10.11.10 104
	Conduct of Business Sourcebook (Stewardship Code) Instrument 2010	2010/57	10.11.10 104
	Conduct of Business Sourcebook (Abolition of Contracting Out for Defined Contribution Schemes) Instrument 2010	2010/58	10.11.10 104
	Handbook Administration (No 20) Instrument 2010	2010/61	16.12.10 105
	Electronic Money and Payment Services Instrument 2011	2011/7	9.2.11 107

*ICOBs	Insurance: Conduct of Business		
	<i>Comes into force</i>	-	6.1.08 -
	Handbook Administration (No 8) Instrument 2008	2008/1	24.1.08 72
	Handbook Administration (No 9) Instrument 2008	2008/19	24.4.08 76
	Connected Travel Insurance Instrument 2008	2008/24	22.5.08 77
	Handbook Administration (No 10) Instrument 2008	2008/33	24.7.08 79
	Senior Management Arrangements, Systems and Controls (Extension of Common Platform Provisions) Instrument 2008	2008/40	25.9.08 81
	Handbook Administration (No 13) Instrument 2009	2009/22	23.4.09 87
	Financial Services Compensation Scheme (Limits Amendment) Instrument 2009	2009/25	23.4.09 87
	Treaty of Lisbon (Consequential Handbook Amendments) Instrument 2009	2009/67	27.11.09 95
	Retail Distribution Review (Pure Protection) Instrument 2010	2010/46	23.9.10 103
	Handbook Administration (No 20) Instrument 2010	2010/61	16.12.10 105
	Employers' Liability Insurance: Disclosure by Insurers Instrument 2011	2011/12	24.2.11 107

MCOB	Mortgages and Home Finance: Conduct of Business		
	<i>First brought into force</i>	-	31.10.04 -
	Disclosure Documents (Amendment) Instrument 2008	2008/35	24.7.08 79
	Handbook Administration (No 12) Instrument 2009	2009/3	22.1.09 84
	Mortgages and Home Finance: Conduct of Business Sourcebook (Deferred Interest Forbearance Amendments) Instrument 2009	2009/17	26.3.09 86
	Financial Services Compensation Scheme (Limits Amendment) Instrument 2009	2009/25	23.4.09 87
	Interim Permitted Regulated Sale and Rent Back Activities Instrument 2009 ( <i>made jointly with FOS as FOS 2009/3</i> )	2009/36	1.7.09 90
	Handbook Administration (No 15) Instrument 2009	2009/49	24.9.09 92
	Companies Act 2006 (Consequential Handbook Amendments No 3) Instrument 2009	2009/50	24.9.09 92
	Treaty of Lisbon (Consequential Handbook Amendments) Instrument 2009	2009/67	27.11.09 95
	Sale and Rent Back Instrument 2010	2010/1	28.1.10 96
	Handbook Administration (No 18) Instrument 2010	2010/19	24.6.10 101
	Mortgage Arrears Instrument 2010	2010/22	24.6.10 101

Ref Code	Sourcebook or manual		
Name of Instrument		No of Inst	Date of Inst
			HN
Handbook Administration (No 19) Instrument 2010		2010/40	23.9.10 103
Handbook Administration (No 20) Instrument 2010		2010/61	16.12.10 105

*BCOBS	Banking: Conduct of Business		
<i>First brought into force</i>		-	1.11.09
Banking: Conduct of Business Sourcebook Instrument 2009		2009/24	23.4.09 87
Banking: Conduct of Business Sourcebook (Amendment) and Consequential Amendments Instrument 2009		2009/52	24.9.09 92
Treaty of Lisbon (Consequential Handbook Amendments) Instrument 2009		2009/67	27.11.09 95
Banking: Conduct of Business Sourcebook (Amendment No 2) Instrument 2011		2011/13	24.2.11 107

CASS	Client Assets		
<i>First brought into force</i>		-	1.1.04 -
Handbook Administration (No 9) Instrument 2008		2008/19	24.4.08 76
Client Assets Sourcebook (Common Platform Provisions) Instrument 2008		2008/45	25.9.08 81
Handbook Administration (No 12) Instrument 2009		2009/3	22.1.09 84
Handbook Administration (No 17) Instrument 2010		2010/8	25.3.10 98
Client Assets Sourcebook (Amendment No 3) Instrument 2010		2010/32	22.7.10 102
Retail Distribution Review (Pure Protection) Instrument 2010		2010/46	23.9.10 103
Client Assets Sourcebook (Enhancement) Instrument 2010		2010/52	13.10.10 104
Client Assets Sourcebook (Title Transfer) (Amendment) Instrument 2010		2010/59	10.11.10 104
Handbook Administration (No 20) Instrument 2010		2010/61	16.12.10 105

*MAR	Market Conduct		
<i>Chapters 1 to 3 first brought into force</i>		-	1.12.01 -
<i>Chapter 4 first brought into force</i>		-	20.9.01 -
Market Conduct Sourcebook (Amendment No 9) Instrument 2008		2008/25	22.5.08 77
Short Selling Instrument 2008		2008/30	12.6.08 78
Short Selling (No 2) Instrument 2008		2008/51	18.9.08 81
Short Selling (No 4) Instrument 2008		2008/60	29.10.08 82
Short Selling (No 5) Instrument 2009		2009/1	14.1.09 84
Handbook Administration (No 12) Instrument 2009		2009/3	22.1.09 84
Short Selling (No 6) Instrument 2009		2009/35	25.4.09 89
Handbook Administration (No 15) Instrument 2009		2009/49	24.9.09 92
Companies Act 2006 (Consequential Handbook Amendments No 3) Instrument 2009		2009/50	24.9.09 92
Treaty of Lisbon (Consequential Handbook Amendments) Instrument 2009		2009/67	27.11.09 95
Financial Stability and Market Confidence Sourcebook Instrument 2010		2010/25	22.7.10 102
Handbook Administration (No 20) Instrument 2010		2010/61	16.12.10 105
Market Conduct Sourcebook (Amendment No 10) Instrument 2011		2011/9	24.2.11 107

## REGULATORY PROCESSES

*SUP	Supervision		
<i>Chapter 9 first brought into force</i>		-	21.6.01 -
<i>Chapters 6, 7, 8 and 10 first brought into force</i>		-	3.9.01 -
<i>Rest of SUP first brought into force</i>		-	1.12.01 -
Handbook Administration (No 8) Instrument 2008		2008/1	24.1.08 72
Regulatory Reform (Financial Services and Markets Act 2000) Order 2007 (Consequential Handbook Amendments) Instrument 2008		2008/2	24.1.08 72
Integrated Regulatory Reporting (Removal of Annual Financial Returns and Reconciliations) Instrument 2008		2008/17	27.3.08 75
Handbook Administration (No 9) Instrument 2008		2008/19	24.4.08 76

Ref Code	Sourcebook or manual		
Name of Instrument		No of Inst	Date of Inst
			HN
Integrated Regulatory Reporting (Amendment No 4) Instrument 2008		2008/20	24.4.08 76
Companies Act 2006 (Consequential Handbook Amendments) Instrument 2008		2008/22	22.5.08 77
Connected Travel Insurance Instrument 2008		2008/24	22.5.08 77
Supervision Manual (Controlled Functions) (Amendment) Instrument 2008		2008/37	24.7.08 79
Senior Management Arrangements, Systems and Controls (Extension of Common Platform Provisions) Instrument 2008		2008/40	25.9.08 81
Status Disclosure and FSA Logo Instrument 2008		2008/42	25.9.08 81
Supervision Manual (Amendment No 14) Instrument 2008		2008/46	25.9.08 81
Handbook Administration (No 11) Instrument 2008		2008/55	29.10.08 82
Prudential Categories (Amendment) Instrument 2008		2008/65	4.12.08 83
Handbook Administration (No 12) Instrument 2009		2009/3	22.1.09 84
Supervision Manual (Passporting and Reinsurance) (Amendment) Instrument 2009		2009/9	26.2.09 85
Supervision Manual (Amendment No 15) Instrument 2009		2009/10	26.2.09 85
Collective Investment Schemes Sourcebook (Consequential Amendments No 2) Instrument 2009		2009/18	26.3.09 86
Supervision Manual (Controllers) (Amendment) Instrument 2009		2009/20	26.3.09 86
Handbook Administration (No 13) Instrument 2009		2009/22	23.4.09 87
Integrated Regulatory Reporting (Amendment No 5) Instrument 2009		2009/34	25.4.09 89
Interim Permitted Regulated Sale and Rent Back Activities Instrument 2009 ( <i>made jointly with FOS as FOS 2009/3</i> )		2009/36	1.7.09 90
Handbook Administration (No 14) Instrument 2009		2009/37	23.7.09 90
Dormant Bank and Building Society Accounts Instrument 2009		2009/38	23.7.09 90
Supervision Manual (Controlled Functions) (Amendment No 2) Instrument 2009		2009/42	23.7.09 90
Senior Management Arrangements, Systems and Controls (Remuneration Code) Instrument 2009		2009/48	11.8.09 91
Handbook Administration (No 15) Instrument 2009		2009/49	24.9.09 92
Companies Act 2006 (Consequential Handbook Amendments No 3) Instrument 2009		2009/50	24.9.09 92
Prudential Sourcebook for Banks, Building Societies and Investment Firms (Liquidity) Instrument 2009		2009/55	30.9.09 93
Close Links Reporting Instrument 2009		2009/63	5.11.09 94
Supervision Manual (Amendment No 16) Instrument 2009		2009/64	5.11.09 94
Supervision Manual (Retail Mediation Activities Return) (Amendment) Instrument 2009		2009/65	5.11.09 94
Treaty of Lisbon (Consequential Handbook Amendments) Instrument 2009		2009/67	27.11.09 95
Prudential Sourcebook for Banks, Building Societies and Investment Firms (Liquidity) (Consequential Amendments) Instrument 2009		2009/68	27.11.09 95
Handbook Administration (No 16) Instrument 2009		2009/69	10.12.09 95
Sale and Rent Back Instrument 2010		2010/1	28.1.10 96
Handbook Administration (No 17) Instrument 2010		2010/8	25.3.10 98
Handbook Administration (No 18) Instrument 2010		2010/19	24.6.10 101
Sale and Rent Back (Regulatory Reporting) Instrument 2010		2010/23	24.6.10 101
Online Submission and Mandatory Forms (No 2) Instrument 2010		2010/24	24.6.10 101
Consequential Amendments (Financial Services Act 2010) Instrument 2010		2010/28	22.7.10 102
Capital Requirements Directive (Handbook Amendments) Instrument 2010		2010/29	22.7.10 102
Supervision Manual (Controlled Functions) (Amendment No 3) Instrument 2010		2010/33	22.7.10 102
Supervision Manual (Payment Services) (Reporting) Instrument 2010		2010/34	22.7.10 102
Integrated Regulatory Reporting (Amendment No 6) Instrument 2010		2010/35	22.7.10 102
Handbook Administration (No 19) Instrument 2010		2010/40	23.9.10 103
Capital Requirements Directive (Large Exposures) Instrument 2010		2010/41	23.9.10 103
Liquidity Standards (Miscellaneous Amendments) Instrument 2010		2010/43	23.9.10 103
Controlled Functions (Amendment) Instrument 2010		2010/48	23.9.10 103
Integrated Regulatory Reporting (Amendment No 7) Instrument 2010		2010/49	23.9.10 103
Integrated Regulatory Reporting (Amendment No 8) Instrument 2010		2010/50	23.9.10 103
Client Assets Sourcebook (Enhancement) Instrument 2010		2010/52	13.10.10 104
Public Awareness Objective (Financial Services Act 2010) Instrument 2010		2010/53	10.11.10 104
Handbook Administration (No 20) Instrument 2010		2010/61	16.12.10 105
Training and Competence Sourcebook (Qualification Requirements and Time Limits) Instrument 2010		2010/65	16.12.10 105
Integrated Regulatory Reporting (Amendment No 9) Instrument 2010		2010/68	16.12.10 105



Ref Code	Sourcebook or manual		
Name of Instrument		No of Inst	Date of Inst
			HN
Supervision Manual (Retail Mediation Activities Return) (Amendment No 2) Instrument 2010		2010/69	16.12.10 105
Supervision Manual (Retail Mediation Activities Return) (Amendment No 3) Instrument 2010		2010/70	16.12.10 105
Change of Control (Aggregation of Holdings) Instrument 2011		2011/2	19.1.11 106
Integrated Regulatory Reporting (Amendment No 10) Instrument 2011		2011/3	19.1.11 106
Supervision Manual (Amendment No 17) Instrument 2011		2011/4	19.1.11 106
Retail Distribution Review (Training and Competence) Instrument 2011		2011/5	19.1.11 106
Electronic Money and Payment Services Instrument 2011		2011/7	9.2.11 107
Employers' Liability Insurance: Disclosure by Insurers Instrument 2011		2011/12	24.2.11 107

*DEPP	Decision Procedure and Penalties		
<i>First brought into force</i>		-	28.8.07 -
Regulatory Reform (Financial Services and Markets Act 2000) Order 2007 (Consequential Handbook Amendments) Instrument 2008		2008/2	24.1.08 72
Decision Procedure and Penalties Manual and Enforcement Guide (Amendment) Instrument 2008		2008/68	4.12.08 83
Handbook Administration (No 12) Instrument 2009		2009/3	22.1.09 84
Payment Services Instrument 2009		2009/14	26.3.09 86
Supervision Manual (Controllers) (Amendment) Instrument 2009		2009/20	26.3.09 86
Treaty of Lisbon (Consequential Handbook Amendments) Instrument 2009		2009/67	27.11.09 95
Handbook Administration (No 16) Instrument 2009		2009/69	10.12.09 95
Decision Procedure and Penalties Manual (Financial Penalties) Instrument 2010		2010/4	25.2.10 97
Enforcement Powers (Financial Services Act 2010) Instrument 2010		2010/26	22.7.10 102
Electronic Money and Payment Services Instrument 2011		2011/7	9.2.11 107
Decision Procedure and Penalties Manual and Enforcement Guide (Amendment No 2) Instrument 2011		2011/10	24.2.11 107

## REDRESS

*DISP	Dispute Resolution: Complaints		
<i>First brought into force</i>		-	1.12.01 -
Handbook Administration (No 8) Instrument 2008		2008/1	24.1.08 72
Dispute Resolution: Complaints (Simplification (No 2) and other Amendments) Instrument 2008 (made jointly with FOS as FOS 2008/3)		2008/18	27.3.08 75
Handbook Administration (No 9) Instrument 2008		2008/19	24.4.08 76
Handbook Administration (No 10) Instrument 2008		2008/33	24.7.08 79
Dispute Resolution: Complaints (Amendment No 2) Instrument 2008 (made jointly with FOS as FOS 2008/4)		2008/47	25.9.08 81
Handbook Administration (No 11) Instrument 2008 (made jointly with FOS as FOS 2008/5)		2008/55	29.10.08 82
Payment Services Instrument 2009 (made jointly with FOS as FOS 2009/1)		2009/14	26.3.09 86
Periodic Fees (2009/2010) and Other Fees Instrument 2009		2009/27	28.5.09 88
Interim Permitted Regulated Sale and Rent Back Activities Instrument 2009 (made jointly with FOS as FOS 2009/3)		2009/36	1.7.09 90
Handbook Administration (No 14) Instrument 2009		2009/37	23.7.09 90
Dormant Bank and Building Society Accounts Instrument 2009		2009/38	23.7.09 90
Payment Services (Financial Ombudsman Service Case Fees 2009/2010) Instrument 2009 (instrument made by FOS)		FOS 2009/4	16.9.09 92
Handbook Administration (No 15) Instrument 2009		2009/49	24.9.09 92
Payment Services (Transitioning Firms) Instrument 2009		2009/53	24.9.09 92
Treaty of Lisbon (Consequential Handbook Amendments) Instrument 2009		2009/67	27.11.09 95
Handbook Administration (No 16) Instrument 2009		2009/69	10.12.09 95
Dispute Resolution (Voluntary Jurisdiction and Sale and Rent Back Amendments) Instrument 2009 (instrument made by FOS)		FOS 2009/6	17.12.09 96
Dispute Resolution: Complaints (Publication of Complaints Data) Instrument 2010		2010/2	28.1.10 96
Handbook Administration (No 17) Instrument 2010		2010/8	25.3.10 98
Dispute Resolution: Complaints (Payment Protection Insurance Complaints: Referral to Ombudsman)		2010/18	27.5.10 100

Ref Code	Sourcebook or manual		
Name of Instrument		No of Inst	Date of Inst
			HN
Instrument 2010			
Sale and Rent Back (Regulatory Reporting) Instrument 2010		2010/23	24.6.10 101
Dispute Resolution: Complaints (Payment Protection Insurance) Instrument 2010		2010/36	22.7.10 103
Handbook Administration (No 19) Instrument 2010		2010/40	23.9.10 103
Handbook Administration (No 20) Instrument 2010		2010/61	16.12.10 105
Fees (Miscellaneous Amendments and Financial Ombudsman Service Rules) Instrument 2010 ( <i>made jointly with FOS as FOS 2010/3</i> )		2010/63	16.12.10 105
Electronic Money and Payment Services Instrument 2011		2011/7	9.2.11 107

COMP	Compensation		
<i>Chapter 4 first brought into force</i>		-	15.11.01 -
<i>Rest of COMP brought into force</i>		-	1.12.01 -
Handbook Administration (No 10) Instrument 2008		2008/33	24.7.08 79
Compensation Sourcebook (Protected Contracts of Insurance) (Scope Amendment No 3) Instrument 2008		2008/38	24.7.08 79
Compensation Sourcebook (Amendment No 8) Instrument 2008		2008/53	2.10.08 82
Financial Services Compensation Scheme (Amendment of Fees Provisions (No 3)) Instrument 2008		2008/54	7.10.08 82
Handbook Administration (No 11) Instrument 2008		2008/55	29.10.08 82
Compensation Sourcebook (Accelerated Compensation for Depositors) Instrument 2008		2008/62	29.10.08 82
Compensation Sourcebook (Building Society Mergers) Instrument 2008		2008/64	26.11.08 83
Compensation Sourcebook (Building Societies and other Mutual Society Mergers) Instrument 2009		2009/2	15.1.09 84
Handbook Administration (No 12) Instrument 2009		2009/3	22.1.09 84
Compensation Sourcebook (Protected Deposit Transfers under the Special Resolution Regime) Instrument 2009		2009/21	29.3.09 86
Financial Services Compensation Scheme (Limits Amendment) Instrument 2009		2009/25	23.4.09 87
Compensation Sourcebook (Deposit Guarantee Schemes Directive Amendments) Instrument 2009		2009/29	28.5.09 88
Handbook Administration (No 14) Instrument 2009		2009/37	23.7.09 90
Dormant Bank and Building Society Accounts Instrument 2009		2009/38	23.7.09 90
Compensation Sourcebook (Mutual Society Mergers and Protected Deposit Transfers under the Special Resolution Regime) (Amendment) Instrument 2009		2009/43	23.7.09 90
Financial Services Compensation Scheme (Banking Compensation Reform) Instrument 2009		2009/47	23.7.09 90
Handbook Administration (No 15) Instrument 2009		2009/49	24.9.09 92
Financial Services Compensation Scheme (Single Customer View Supervision and other Amendments) Instrument 2009		2009/66	5.11.09 94
Handbook Administration (No 16) Instrument 2009		2009/69	10.12.09 95
Handbook Administration (No 17) Instrument 2010		2010/8	25.3.10 98
Consequential Amendments (Financial Services Act 2010) Instrument 2010		2010/28	22.7.10 102
Handbook Administration (No 20) Instrument 2010		2010/61	16.12.10 105
Compensation Sourcebook (Deposit Guarantee Schemes Directive Amendments) (No 2) Instrument 2010		2010/71	16.12.10 105

COAF	Complaints against the FSA		
<i>First brought into force</i>		-	3.9.01 -
Complaints against the FSA Scheme (Amendment No 5) Instrument 2008		2008/26	22.5.08 77
Handbook Administration (No 13) Instrument 2009		2009/22	23.4.09 87
Handbook Administration (No 15) Instrument 2009		2009/49	24.9.09 92

### SPECIALIST SOURCEBOOKS

BSOCS	Building Societies		
<i>First brought into force</i>		-	1.4.10 -
Building Societies Sourcebook Instrument 2010		2010/11	25.3.10 98
Handbook Administration (No 18) Instrument 2010		2010/19	24.6.10 101

Ref Code	Sourcebook or manual		
Name of Instrument		No of Inst	Date of Inst
			HN

*COLL	Collective Investment Schemes		
<i>First brought into force</i>		-	1.4.04
Collective Investment Schemes Sourcebook (UCITS Eligible Assets Directive and Other Amendments) Instrument 2008		2008/5	28.2.08
Handbook Administration (No 9) Instrument 2008		2008/19	24.4.08
Collective Investment Schemes Sourcebook (Electronic Communications) Instrument 2008 <b>(REVOKED: July 2008)</b>		2008/27	22.5.08
Collective Investment Schemes Sourcebook (Property Authorised Investment Funds) Instrument 2008		2008/28	22.5.08
Handbook Administration (No 10) Instrument 2008		2008/33	24.7.08
Senior Management Arrangements, Systems and Controls (Extension of Common Platform Provisions) Instrument 2008		2008/40	25.9.08
Collective Investment Schemes Sourcebook (Immovables Valuation) Instrument 2008		2008/48	25.9.08
Collective Investment Schemes Sourcebook (Simplified Prospectus) (Amendment) Instrument 2008		2008/61	29.10.08
Collective Investment Schemes Sourcebook (Suspension of Dealings) Instrument 2008		2008/69	4.12.08
Collective Investment Schemes Sourcebook (Electronic Communications) Instrument 2009		2009/5	22.1.09
Collective Investment Schemes Sourcebook (Amendment No 4) Instrument 2009		2009/11	26.2.09
Collective Investment Schemes Sourcebook (Consequential Amendments No 2) Instrument 2009		2009/18	26.3.09
Handbook Administration (No 14) Instrument 2009		2009/37	23.7.09
Collective Investment Schemes Sourcebook (Single Sub-fund Umbrellas) Instrument 2009		2009/44	23.7.09
Handbook Administration (No 15) Instrument 2009		2009/49	24.9.09
Companies Act 2006 (Consequential Handbook Amendments No 3) Instrument 2009		2009/50	24.9.09
Treaty of Lisbon (Consequential Handbook Amendments) Instrument 2009		2009/67	27.11.09
Collective Investment Schemes Sourcebook (Amendment No 5) Instrument		2009/74	10.12.09
Collective Investment Schemes Sourcebook (Accounting Amendments) Instrument 2010		2010/3	28.1.10
Funds of Alternative Investment Funds Instrument 2010		2010/5	25.2.10
Alternative Finance Investment Bonds Instrument 2010		2010/6	25.2.10
Handbook Administration (No 17) Instrument 2010		2010/8	25.3.10
Handbook Administration (No 19) Instrument 2010		2010/40	23.9.10
Collective Investment Schemes Sourcebook (Winding Up and Sub-fund Termination and Miscellaneous Amendments) Instrument 2011		2011/11	24.2.11

CRED	Credit Unions		
<i>First brought into force</i>		-	1.7.02
Regulatory Reform (Financial Services and Markets Act 2000) Order 2007 (Consequential Handbook Amendments) Instrument 2008		2008/2	24.1.08
Dispute Resolution: Complaints (Simplification (No 2) and other Amendments) Instrument 2008 <i>(made jointly with FOS as FOS 2008/3)</i>		2008/18	27.3.08
Companies Act 2006 (Consequential Handbook Amendments) Instrument 2008		2008/22	22.5.08
Senior Management Arrangements, Systems and Controls (Extension of Common Platform Provisions) Instrument 2008		2008/40	25.9.08
Companies Act 2006 (Consequential Handbook Amendments No 2) Instrument 2008		2008/41	25.9.08
Collective Investment Schemes Sourcebook (Consequential Amendments No 2) Instrument 2009		2009/18	26.3.09
Handbook Administration (No 15) Instrument 2009		2009/49	24.9.09
Companies Act 2006 (Consequential Handbook Amendments No 3) Instrument 2009		2009/50	24.9.09
Banking: Conduct of Business Sourcebook (Amendment) and Consequential Amendments Instrument 2009		2009/52	24.9.09
Consequential Amendments (Financial Services Act 2010) Instrument 2010		2010/28	22.7.10
Controlled Functions (Amendment) Instrument 2010		2010/48	23.9.10
Public Awareness Objective (Financial Services Act 2010) Instrument 2010		2010/53	10.11.10

*ELM	Electronic Money		
<i>First brought into force</i>		-	18.4.02

Ref Code	Sourcebook or manual	No of Inst	Date of Inst	HN
Name of Instrument				
	Handbook Administration (No 8) Instrument 2008	2008/1	24.1.08	72
	Companies Act 2006 (Consequential Handbook Amendments) Instrument 2008	2008/22	22.5.08	77
	Senior Management Arrangements, Systems and Controls (Extension of Common Platform Provisions) Instrument 2008	2008/40	25.9.08	81
	Collective Investment Schemes Sourcebook (Consequential Amendments No 2) Instrument 2009	2009/18	26.3.09	86
	Banking: Conduct of Business Sourcebook (Amendment) and Consequential Amendments Instrument 2009	2009/52	24.9.09	92
	Treaty of Lisbon (Consequential Handbook Amendments) Instrument 2009	2009/67	27.11.09	95
	Consequential Amendments (Financial Services Act 2010) Instrument 2010	2010/28	22.7.10	102
	Electronic Money and Payment Services Instrument 2011	2011/7	9.2.11	107

PROF	Professional Firms	No of Inst	Date of Inst	HN
	<i>First brought into force</i>	-	1.12.01	-
	Handbook Administration (No 8) Instrument 2008	2008/1	24.1.08	72
	Dispute Resolution: Complaints (Simplification (No 2) and other Amendments) Instrument 2008 ( <i>made jointly with FOS as FOS 2008/3</i> )	2008/18	27.3.08	75
	Handbook Administration (No 14) Instrument 2009	2009/37	23.7.09	90
	Consequential Amendments (Financial Services Act 2010) Instrument 2010	2010/28	22.7.10	102
	Public Awareness Objective (Financial Services Act 2010) Instrument 2010	2010/53	10.11.10	104
	Handbook Administration (No 20) Instrument 2010	2010/61	16.12.10	105

RCB	Regulated Covered Bonds	No of Inst	Date of Inst	HN
	<i>First brought into force</i>	-	6.3.08	-
	Regulated Covered Bonds Sourcebook Instrument 2008	2008/07	6.3.08	74
	Handbook Administration (No 9) Instrument 2008	2008/19	24.4.08	76
	Decision Procedure and Penalties Manual and Enforcement Guide (Amendment) Instrument 2008	2008/68	4.12.08	83
	Regulated Covered Bonds Sourcebook (Amendment) Instrument 2008	2008/72	2.12.08	83
	Handbook Administration (No 15) Instrument 2009	2009/49	24.9.09	92
	Decision Procedure and Penalties Manual (Financial Penalties) Instrument 2010	2010/4	25.2.10	97

REC	Recognised Investment Exchanges and Recognised Clearing Houses	No of Inst	Date of Inst	HN
	<i>First brought into force for some applications and part of Chapter 7</i>	-	3.9.01	-
	<i>Rest of REC brought into force</i>	-	1.12.01	-
	Supervision Manual (Controllers) (Amendment) Instrument 2009	2009/20	26.3.09	86
	Handbook Administration (No 13) Instrument 2009	2009/22	23.4.09	87
	Recognised Investment Exchanges and Recognised Clearing Houses Sourcebook (Amendments to Recognition Requirements) Instrument 2009	2009/30	28.5.09	88
	Handbook Administration (No 15) Instrument 2009	2009/49	24.9.09	92
	Treaty of Lisbon (Consequential Handbook Amendments) Instrument 2009	2009/67	27.11.09	95
	Consequential Amendments (Financial Services Act 2010) Instrument 2010	2010/28	22.7.10	102

## LISTING, PROSPECTUS AND DISCLOSURE

LR	Listing Rules	No of Inst	Date of Inst	HN
	<i>First brought into force</i>	-	1.7.05	-
	Handbook Administration (No 8) Instrument 2008	2008/1	24.1.08	72
	Regulatory Reform (Financial Services and Markets Act 2000) Order 2007 (Consequential Handbook Amendments) Instrument 2008	2008/2	24.1.08	72
	Listing Rules Sourcebook (Amendment No 2) Instrument 2008	2008/21	24.4.08	76
	Disclosure Rules and Transparency Rules Sourcebook (Corporate Governance Rules) Instrument 2008	2008/32	26.6.08	78
	Handbook Administration (No 10) Instrument 2008	2008/33	24.7.08	79
	Listing Rules (Sponsors) (Amendment) Instrument 2008	2008/70	4.12.08	83

Ref Code	Sourcebook or manual		
Name of Instrument		No of Inst	Date of Inst
		HN	
	Listing Rules Sourcebook (Rights Issue Subscription Period) Instrument 2009	2009/6	9.2.09 85
	Trading Plan Instrument 2009	2009/12	26.2.09 85
	Collective Investment Schemes Sourcebook (Consequential Amendments No 2) Instrument 2009	2009/18	26.3.09 86
	Handbook Administration (No 14) Instrument 2009	2009/37	23.7.09 90
	Handbook Administration (No 15) Instrument 2009	2009/49	24.9.09 92
	Companies Act 2006 (Consequential Handbook Amendments No 3) Instrument 2009	2009/50	24.9.09 92
	Listing Rules Sourcebook (Amendment No 3) Instrument 2009	2009/54	24.9.09 92
	Treaty of Lisbon (Consequential Handbook Amendments) Instrument 2009	2009/67	27.11.09 95
	Handbook Administration (No 16) Instrument 2009	2009/69	10.12.09 95
	Alternative Finance Investment Bonds Instrument 2010	2010/6	25.2.10 97
	Listing Rules Sourcebook (Amendment No 4) Instrument 2010	2010/7	25.2.10 97
	Handbook Administration (No 17) Instrument 2010	2010/8	25.3.10 98
	Listing Rules Sourcebook (Amendment No 5) Instrument 2010	2010/13	22.4.10 99
	Listing Rules Sourcebook (Amendment No 6) Instrument 2010	2010/37	22.7.10 102
	UK Corporate Governance Code (Handbook Amendments) Instrument 2010	2010/39	22.7.10 102
	Handbook Administration (No 19) Instrument 2010	2010/40	23.9.10 103
	Handbook Administration (No 20) Instrument 2010	2010/61	16.12.10 105

PR	Prospectus Rules		
	<i>First brought into force</i>	-	1.7.05 -
	Handbook Administration (No 8) Instrument 2008	2008/1	24.1.08 72
	Handbook Administration (No 15) Instrument 2009	2009/49	24.9.09 92
	Treaty of Lisbon (Consequential Handbook Amendments) Instrument 2009	2009/67	27.11.09 95
	Handbook Administration (No 20) Instrument 2010	2010/61	16.12.10 105

DTR	Disclosure Rules and Transparency Rules		
	<i>First brought into force</i>	-	1.7.05 -
	Disclosure Rules and Transparency Rules Sourcebook (Corporate Governance Rules) Instrument 2008	2008/32	26.6.08 78
	Disclosure Rules and Transparency Rules Sourcebook (Amendment) Instrument 2008	2008/71	4.12.08 83
	Trading Plan Instrument 2009	2009/12	26.2.09 85
	Disclosure and Transparency Rules (Disclosure of Contracts for Differences) Instrument 2009	2009/13	26.2.09 85
	Handbook Administration (No 13) Instrument 2009	2009/22	23.4.09 87
	Handbook Administration (No 14) Instrument 2009	2009/37	23.7.09 90
	Handbook Administration (No 15) Instrument 2009	2009/49	24.9.09 92
	Companies Act 2006 (Consequential Handbook Amendments No 3) Instrument 2009	2009/50	24.9.09 92
	Treaty of Lisbon (Consequential Handbook Amendments) Instrument 2009	2009/67	27.11.09 95
	Disclosure Rules and Transparency Rules Sourcebook (Amendment No 2) Instrument 2010	2010/14	22.4.10 99
	Disclosure Rules and Transparency Rules Sourcebook (Amendment No 3) Instrument 2010	2010/38	22.7.10 102
	UK Corporate Governance Code (Handbook Amendments) Instrument 2010	2010/39	22.7.10 102
	Disclosure Rules and Transparency Rules Sourcebook (Amendment No 4) Instrument 2010	2010/51	23.9.10 103
	Handbook Administration (No 20) Instrument 2010	2010/61	16.12.10 105

## Instruments outside the Handbook made after 1 January 2008

Ref Code	Sourcebook or manual		
Name of Instrument		No of Inst	Date of Inst
			HN

### Interim Permitted Persons

Interim Permitted Regulated Sale and Rent Back Activities Instrument 2009 ( <i>made jointly with FOS as FOS 2009/3</i> )	2009/36	1.7.09	90
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### Unauthorised Mutual Societies

<i>Unauthorised mutuals registration fees rules brought into force</i>	-	17.1.02	-
Periodic Fees (Unauthorised Mutual Societies Registration)(2008/2009) Instrument 2008	2008/29	22.5.08	77
Periodic Fees (Unauthorised Mutual Societies Registration)(2009/2010) Instrument 2009	2009/31	28.5.09	88
Periodic Fees (Unauthorised Mutual Societies Registration)(2010/2011) Instrument 2010	2010/17	27.5.10	100

### \*PERG Perimeter Guidance manual

<i>Regulatory Guide brought into force</i>	-	1.7.05	-
Handbook Administration (No 8) Instrument 2008	2008/1	24.1.08	72
Handbook Administration (No 9) Instrument 2008	2008/19	24.4.08	76
Connected Travel Insurance Instrument 2008	2008/24	22.5.08	77
Senior Management Arrangements, Systems and Controls (Extension of Common Platform Provisions) Instrument 2008	2008/40	25.9.08	81
Handbook Administration (No 11) Instrument 2008	2008/55	29.10.08	82
Collective Investment Schemes Sourcebook (Consequential Amendments No 2) Instrument 2009	2009/18	26.3.09	86
Perimeter Guidance (Payment Services Scope) Instrument 2009	2009/19	26.3.09	86
Dormant Bank and Building Society Accounts Instrument 2009	2009/38	23.7.09	90
Perimeter Guidance (Amendment No 2) Instrument 2009	2009/46	23.7.09	90
Handbook Administration (No 15) Instrument 2009	2009/49	24.9.09	92
Companies Act 2006 (Consequential Handbook Amendments No 3) Instrument 2009	2009/50	24.9.09	92
Handbook Administration (No 16) Instrument 2009	2009/69	10.12.09	95
Sale and Rent Back Instrument 2010	2010/1	28.1.10	96
Alternative Finance Investment Bonds Instrument 2010	2010/6	25.2.10	97
Handbook Administration (No 19) Instrument 2010	2010/40	23.9.10	103
Electronic Money and Payment Services Instrument 2011	2011/7	9.2.11	107

*PERG is made and amended by instrument.*

### \*BSOG Building Societies Regulatory Guide

<i>Regulatory Guide brought into force</i>	-	1.7.07	-
Companies Act 2006 (Consequential Handbook Amendments No 3) Instrument 2009	2009/50	24.9.09	92
Building Societies Sourcebook Instrument 2010	2010/11	25.3.10	98
Electronic Money and Payment Services Instrument 2011	2011/7	9.2.11	107

*BSOG is made and amended by instrument*

### RPPD Providers and Distributors Regulatory Guide

<i>Regulatory Guide brought into force</i>	-	16.7.07	-
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*RPPD is made and amended by instrument*

### \*EG Enforcement Regulatory Guide

<i>Regulatory Guide brought into force</i>	-	28.8.07	-
Decision Procedure and Penalties Manual and Enforcement Guide (Amendment) Instrument 2008	2008/68	4.12.08	83
Payment Services Instrument 2009	2009/14	26.3.09	86
Enforcement Guide (Use of Firm-Commissioned Reports) Instrument 2009	2009/26	23.4.09	87
Decision Procedure and Penalties Manual (Financial Penalties) Instrument 2010	2010/4	25.2.10	97
Enforcement Powers (Financial Services Act 2010) Instrument 2010	2010/26	22.7.10	102

Electronic Money and Payment Services Instrument 2011	2011/7	9.2.11	107
Decision Procedure and Penalties Manual and Enforcement Guide (Amendment No 2) Instrument 2011	2011/10	24.2.11	107

*EG is made and amended by instrument*

<b>UNFCOG</b>	<b>Unfair Contract Terms Regulatory Guide</b>		
<i>Regulatory Guide brought into force</i>	-	28.8.07	-
Treaty of Lisbon (Consequential Handbook Amendments) Instrument 2009	2009/67	27.11.09	95

*UNFCOG is made and amended by instrument*

<b>Crag</b>	<b>Credit Rating Agencies Guide</b>		
<i>Regulatory Guide brought into force</i>	-	7.6.10	100

## Guidance Notes issued by the FSA

Number	Title	Made	Dates in force	Handbook Notice	
No 1	Frequently asked questions on the code of market conduct	29.11.01	1.12.01-30.6.02	HN 7, HN 12	Expired
No 2	COB Transitional arrangements for pre-N2 firms	27.3.02	10.4.02-30.6.02	HN 10	Expired
No 3	Reproduction of the FSA logo by authorised firms	24.5.02	29.5.02-30.4.03	HN 12	Expired
No 4	Resilience test for insurers	28.6.02	From 28.6.02 <sup>1</sup>	HN 13, HN 22	Expired
No 5	Grandfathered concessions and waivers applications	22.7.02	1.8.02-30.11.02	HN 14	Expired
No 6	Waivers applications: Introduction of a standard form	22.7.02	1.8.02-31.1.03	HN 14	Expired
No 7	Precipice bonds	11.2.03	19.3.03-18.3.04  (including guidance on periodic statements, in force 19.5.03-18.3.04)	HN 19	Expired
No 8	The Credit Union Common Bond	19.6.03	1.7.03-31.12.04	HN 23	Expired <sup>2</sup>
No 9	Guidance for Social Housing Providers	19.4.10	23.4.10	HN 99	Current
No 10	Consumer Redress Schemes	22.7.10	23.7.10	HN 102	Current

<sup>1</sup> The expiry date of GN 4 is deferred until the implementation of the Integrated Prudential sourcebook (see Chapter 5 of HN 22).

<sup>2</sup> The text of GN 8 has been incorporated into the Handbook.



## Handbook provisions not yet in force

This Table lists previous instruments containing Handbook provisions which have yet to come into force, as a reminder to firms. This table should be read in conjunction with Annex E (“What’s New”).

### *Listed by effective date within modules*

Module	Change	Instrument	When effective	Described in
Glossary	Changes to strengthen client asset protection	Client Assets Sourcebook (Enhancement) Instrument 2010 [FSA 2010/52]	1.3.11 and 1.10.11 ( <i>part</i> )	HN104 <i>Nov 2010</i> (paras 2.29 – 2.32)
	Changes to the significant influence functions regime	Controlled Functions (Amendment) Instrument 2010 [FSA 2010/48]	1.5.11	HN103 <i>Sep 2010</i> (paras 2.69 – 2.74)
	Amended provisions for advised sales of investments to retail clients	Retail Distribution Review (Adviser Charging) Instrument 2010 [FSA 2010/12]	31.12.12	HN98 <i>Mar 2010</i> (paras 2.29 – 2.34)
	Introduction of ‘consultancy charging’ in group pensions market	Retail Distribution Review (Corporate Pensions) Instrument 2010 [FSA 2010/21]	31.12.12	HN101 <i>June 2010</i> (2.24 – 2.28)
	New and amended commission disclosure requirements	Retail Distribution Review (Pure Protection) Instrument 2010 [FSA 2010/46]	31.12.12	HN103 <i>Sep 2010</i> (paras 2.54 – 2.59)
	Qualification standards etc for retail investment advisers	Retail Distribution Review (Training and Competence) Instrument 2011 [FSA 2011/5]	31.12.12 ( <i>part</i> )	HN106 <i>Jan 2011</i> (paras 2.3 – 2.15)
SYSC	Clarify scope of requirement for investment firms to undertake reverse stress-testing	Senior Management Arrangements, Systems and Controls (Reverse Stress Testing) (Amendment) Instrument 2010 [FSA 2010/64]	28.3.11	HN105 <i>Dec 2010</i> (paras 2.10 – 2.14)
	Changes to the significant influence functions regime	Controlled Functions (Amendment) Instrument 2010 [FSA 2010/48]	1.5.11	HN103 <i>Sep 2010</i> (paras 2.69 – 2.74)
APER	Changes to the significant influence functions regime	Controlled Functions (Amendment) Instrument 2010 [FSA 2010/48]	1.5.11	HN103 <i>Sep 2010</i> (paras 2.69 – 2.74)
FIT	Changes to the significant influence functions regime	Controlled Functions (Amendment) Instrument 2010 [FSA 2010/48]	1.5.11	HN103 <i>Sep 2010</i> (paras 2.69 – 2.74)

<b>Module</b>	<b>Change</b>	<b>Instrument</b>	<b>When effective</b>	<b>Described in</b>
TC	Qualification standards etc for retail investment advisers	Retail Distribution Review (Training and Competence) Instrument 2011 [FSA 2011/5]	1.7.11 and 31.12.12 ( <i>part</i> )	HN106 <i>Jan 2011</i> (paras 2.3 – 2.15)
INSPRU	Minor changes following review of prudential requirements	Prudential Requirements for Insurers (Amendment No 4) Instrument 2009 [FSA 2009/60]	31.12.11 ( <i>part</i> )	HN94 <i>Nov 2009</i> (paras 2.21 – 2.23)
IPRU(FSOC)	Minor changes following review of prudential requirements	Prudential Requirements for Insurers (Amendment No 4) Instrument 2009 [FSA 2009/60]	31.12.11 ( <i>part</i> )	HN94 <i>Nov 2009</i> (paras 2.21 – 2.23)
IPRU(INV)	Change of the capital resources, requirements and professional indemnity rules for personal investment firms	Capital Resources and Professional Indemnity Insurance Requirements for Personal Investment Firms Instrument 2009 [FSA 2009/62]	31.12.11 ( <i>part</i> )	HN94 <i>Nov 2009</i> (paras 2.30 – 2.33)
	Minor administrative changes	Handbook Administration (No 16) Instrument 2009 [FSA 2009/69]	31.12.11 ( <i>part</i> )	HN95 <i>Dec 2009</i> (paras 2.7 – 2.9)
	Minor administrative changes	Handbook Administration (No 18) Instrument 2010 [FSA 2010/19]	31.12.11 ( <i>part</i> )	HN101 <i>June 2010</i> (paras 2.2 – 2.5)
COBS	Extension of current taping rules to cover voice and electronic communications on mobile phones	Conduct of Business Sourcebook (Recording of Telephone Conversations and Electronic Communications) (No 2) Instrument 2010 [FSA 2010/56]	14.11.11	HN104 <i>Nov 2010</i> (paras 2.17 – 2.20)
	Amended provisions for advised sales of investments to retail clients	Retail Distribution Review (Adviser Charging) Instrument 2010 [FSA 2010/12]	31.12.12	HN98 <i>Mar 2010</i> (paras 2.29 – 2.34)
	Introduction of ‘consultancy charging’ in group pensions market	Retail Distribution Review (Corporate Pensions) Instrument 2010 [FSA 2010/21]	31.12.12	HN101 <i>June 2010</i> (paras 2.24 – 2.28)
	New and amended commission disclosure requirements	Retail Distribution Review (Pure Protection) Instrument 2010 [FSA 2010/46]	31.12.12	HN103 <i>Sep 2010</i> (paras 2.54 – 2.59)
ICOBS	New and amended commission disclosure requirements	Retail Distribution Review (Pure Protection) Instrument 2010 [FSA 2010/46]	31.12.12	HN103 <i>Sep 2010</i> (paras 2.54 – 2.59)
CASS	Changes to strengthen client asset protection	Client Assets Sourcebook (Enhancement) Instrument 2010 [FSA 2010/52]	1.3.11; 1.6.11 and 1.10.11 ( <i>part</i> )	HN104 <i>Nov 2010</i> (paras 2.29 – 2.32)

<b>Module</b>	<b>Change</b>	<b>Instrument</b>	<b>When effective</b>	<b>Described in</b>
SUP	Changes to the significant influence functions regime	Controlled Functions (Amendment) Instrument 2010 [FSA 2010/48]	1.5.11	HN103 <i>Sep 2010</i> (paras 2.69 – 2.74)
	Changes to strengthen client asset protection	Client Assets Sourcebook (Enhancement) Instrument 2010 [FSA 2010/52]	1.6.11 and 1.10.11	HN104 <i>Nov 2010</i> (paras 2.29 – 2.32)
	Changes to FSA004 and FSA045	Integrated Regulatory Reporting (Amendment No 10) Instrument 2011 [FSA 2011/3]	1.6.11	HN106 <i>Jan 2011</i> (paras 2.23 – 2.27)
	Minor amendments to RMAR (Section A)	Supervision Manual (Retail Mediation Activities Return) (Amendment No 2) Instrument 2010 [FSA 2010/69]	31.12.11	HN105 <i>Dec 2010</i> (paras 2.83 – 2.87)
	Minor amendments to RMAR (Sections D and E)	Supervision Manual (Retail Mediation Activities Return) (Amendment No 3) Instrument 2010 [FSA 2010/70]	31.12.11	HN105 <i>Dec 2010</i> (paras 2.88 – 2.93)
	Qualification standards etc for retail investment advisers	Retail Distribution Review (Training and Competence) Instrument 2011 [FSA 2011/5]	31.12.12	HN106 <i>Jan 2011</i> (paras 2.3 – 2.15)
CRED	Changes to the significant influence functions regime	Controlled Functions (Amendment) Instrument 2010 [FSA 2010/48]	1.5.11	HN103 <i>Sep 2010</i> (paras 2.69 – 2.74)

## What's New?

*listed by effective date within modules*

Module	Change	Instrument	When effective	Described in paragraphs
Glossary	New authorisation and registration fees for electronic money issuers	Fees (Electronic Money Application Fees) Instrument 2011 [FSA 2011/6]	10.2.11	2.16 – 2.19
	New requirements arising out of Electronic Money Regulations	Electronic Money and Payment Services Instrument 2011 [FSA 2011/7]	10.2.11, 30.4.11 and 30.4.12	2.3 – 2.8
	Update of FSA's guidance on approach to enforcement	Decision Procedure and Penalties Manual and Enforcement Guide (Amendment No 2) Instrument 2011 [FSA 2011/10]	6.3.11	2.49 – 2.53
	New guidance for deposit-takers in relation to exercise of right of set-off	Banking: Conduct of Business Sourcebook (Amendment No 2) Instrument 2011 [FSA 2011/13]	6.3.11	2.36 – 2.40
PRIN	New requirements arising out of Electronic Money Regulations	Electronic Money and Payment Services Instrument 2011 [FSA 2011/7]	30.4.11	2.3 – 2.8
SYSC	New requirements arising out of Electronic Money Regulations	Electronic Money and Payment Services Instrument 2011 [FSA 2011/7]	30.4.11	2.3 – 2.8
COND	New requirements arising out of Electronic Money Regulations	Electronic Money and Payment Services Instrument 2011 [FSA 2011/7]	30.4.11	2.3 – 2.8
GEN	New rule that firm must not pay employee's financial penalty, and update on FSA's guidance approach to enforcement	Decision Procedure and Penalties Manual and Enforcement Guide (Amendment No 2) Instrument 2011 [FSA 2011/10]	6.3.11	2.49 – 2.53
	New requirements arising out of Electronic Money Regulations	Electronic Money and Payment Services Instrument 2011 [FSA 2011/7]	30.4.11 and 30.4.12	2.3 – 2.8
FEES	New authorisation and registration fees for electronic money issuers	Fees (Electronic Money Application Fees) Instrument 2011 [FSA 2011/6]	10.2.11	2.16 – 2.19
GENPRU	New requirements arising out of Electronic Money Regulations	Electronic Money and Payment Services Instrument 2011 [FSA 2011/7]	30.4.11	2.3 – 2.8

<b>Module</b>	<b>Change</b>	<b>Instrument</b>	<b>When effective</b>	<b>Described in paragraphs</b>
BIPRU	New requirements arising out of Electronic Money Regulations	Electronic Money and Payment Services Instrument 2011 [FSA 2011/7]	30.4.11	2.3 – 2.8
INSPRU	Clarification of rules regarding elimination of reciprocal financing	Prudential Sourcebook for Insurers (Amendment No 2) Instrument 2011 [FSA 2011/8]	6.3.11	2.22 – 2.26
COBS	New requirements arising out of Electronic Money Regulations	Electronic Money and Payment Services Instrument 2011 [FSA 2011/7]	30.4.11	2.3 – 2.8
ICOBS	New requirements to publish relevant policy details on employers' liability insurance	Employers' Liability Insurance: Disclosure by Insurers Instrument 2011 [FSA 2011/12]	6.3.11	2.28 – 2.35
BCOBS	New guidance for deposit-takers in relation to exercise of right of set-off	Banking: Conduct of Business Sourcebook (Amendment No 2) Instrument 2011 [FSA 2011/13]	6.3.11	2.36 – 2.40
MAR	Amendment to ensure consistency with ECJ ruling	Market Conduct Sourcebook (Amendment No 10) Instrument 2011 [FSA 2011/9]	6.3.11	2.41 – 2.45
SUP	New requirements to publish relevant policy details on employers' liability insurance	Employers' Liability Insurance: Disclosure by Insurers Instrument 2011 [FSA 2011/12]	6.3.11	2.28 – 2.35
	New requirements arising out of Electronic Money Regulations	Electronic Money and Payment Services Instrument 2011 [FSA 2011/7]	30.4.11	2.3 – 2.8
DEPP	Update of FSA's guidance on approach to enforcement	Decision Procedure and Penalties Manual and Enforcement Guide (Amendment No 2) Instrument 2011 [FSA 2011/10]	6.3.11	2.49 – 2.53
	New requirements arising out of Electronic Money Regulations	Electronic Money and Payment Services Instrument 2011 [FSA 2011/7]	30.4.11	2.3 – 2.8
DISP	New requirements arising out of Electronic Money Regulations	Electronic Money and Payment Services Instrument 2011 [FSA 2011/7]	30.4.11	2.3 – 2.8
COLL	Alignment of requirements to winding up or termination of authorised unit trust	Collective Investment Schemes Sourcebook (Winding Up and Sub-fund Termination and Miscellaneous Amendments) Instrument 2011 [FSA 2011/11]	6.3.11	2.55 – 2.60
ELM	New requirements arising out of Electronic Money Regulations	Electronic Money and Payment Services Instrument 2011 [FSA 2011/7]	30.4.11 and 30.4.12	2.3 – 2.8

PERG	New requirements arising out of Electronic Money Regulations	Electronic Money and Payment Services Instrument 2011 [FSA 2011/7]	10.2.11	2.3 – 2.8
BSOG	New requirements arising out of Electronic Money Regulations	Electronic Money and Payment Services Instrument 2011 [FSA 2011/7]	30.4.11	2.3 – 2.8
EG	Update of FSA's guidance on approach to enforcement	Decision Procedure and Penalties Manual and Enforcement Guide (Amendment No 2) Instrument 2011 [FSA 2011/10]	6.3.11	2.49 – 2.53
	New requirements arising out of Electronic Money Regulations	Electronic Money and Payment Services Instrument 2011 [FSA 2011/7]	30.4.11	2.3 – 2.8



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