

CP15/25 Changes to the Approved Persons Regime for insurers not subject to Solvency II: reforms for larger Non-Directive Firms, feedback on CP15/15, forms, consequentialia and transitional aspects

August 2015



Contents

Abbreviations used in this document	3
1 Overview	4
2 Updates to our proposals for small NDFs	8
3 Proposals for reforming the accountability regime for larger NDFs	10
4 Forms	13
5 Transitional arrangements	15
6 Summary timetable for implementation	21
7 Consequential changes to the Handbook	23
Annexes	
1 List of questions	24
2 Cost benefit analysis	25
3 Compatibility Statement	27
Appendices	
1 Draft Handbook text	29
2 Forms	30

We are asking for comments on this Consultation Paper by 12 October 2015.

You can send them to us using the form on our website at:
<https://www.fca.org.uk/your-fca/documents/consultation-papers/cp15-25-response-form>.

Or in writing to:

Richard Johnson
Strategy & Competition Division
Financial Conduct Authority
25 The North Colonnade
Canary Wharf
London E14 5HS

Telephone: 020 7066 4834
Email: cp15-25@fca.org.uk

We make all responses to formal consultation available for public inspection unless the respondent requests otherwise. We do not regard a standard confidentiality statement in an email message as a request for non-disclosure.

Despite this, we may be asked to disclose a confidential response under the Freedom of Information Act 2000. We may consult you if we receive such a request. Any decision we make not to disclose the response is reviewable by the Information Commissioner and the Information Rights Tribunal.

All our publications are available to download from www.fca.org.uk. If you would like to receive this paper in an alternative format, please call 020 706 60790 or email publications_graphics@fca.org.uk or write to Editorial and Digital Department, Financial Conduct Authority, 25 The North Colonnade, Canary Wharf, London E14 5HS.

Abbreviations used in this document

The Act	Financial Services (Banking Reform) Act 2013
APER	Statements of Principle and Code of Practice for Approved Persons
APR	Approved Persons Regime
CASS	Client Assets Sourcebook
CBA	Cost Benefit Analysis
CEO	Chief Executive Officer
CF	Controlled Function
CFO	Chief Finance Officer
the Commencement Date	7 March 2016. This is the date that the reforms to the regime come into effect, which is the date on which the relevant provisions in the Act commence.
COND	Threshold Conditions Sourcebook
CP	Consultation Paper
CRO	Chief Risk Officer
EIOPA	European Insurance and Occupational Pensions Authority
FCA	Financial Conduct Authority
FSMA	Financial Services and Markets Act 2000
NED	Non-Executive Director
NDF	Non-Directive Firm
PRA	Prudential Regulation Authority
SIF	Significant Influence Function
SIMF	Senior Insurance Management Function

1. Overview

Introduction

- 1.1** In March, we published CP15/15 setting out our proposals for reforming the accountability regime for small non-directive firms (NDFs).¹ The proposals included:
- Changes to the scope of the FCA's approved persons regime. These aimed to ensure robust oversight and continued enforcement powers over key individuals who can significantly impact our objectives, while maintaining a proportionate approach.
 - A new requirement for firms to submit documents setting out the proposed scope of a candidate's responsibilities for all Significant Influence Function (SIF) applicants to help firms and regulators ensure they are fit and proper to perform their role in full.
 - New Conduct Rules for approved persons to encourage appropriate behaviour by staff, in particular through an enhanced focus on treating customers fairly, and responsible delegation by senior staff.
- 1.2** The proposals in this CP15/25 should be considered in the context of the reforms set out in CP15/15, and read alongside it. We have sought to balance an effective accountability regime with regulation proportionate to smaller firms. Overall our proposals seek to ensure that there is clear and robust accountability while removing some existing rules we believe are less effective.
- 1.3** This document:
- sets out amendments to the arrangements for small NDFs we proposed in CP15/15 taking into account feedback we received
 - consults on a reformed regime for larger NDFs², and
 - consults on changes to forms necessary for the implementation of the reformed regime for all NDFs, as well as transitional arrangements for implementing the reforms.
- 1.4** Chapter 7 sets out changes to the Handbook that are consequential to these reforms.

¹ Non-directive firms are insurers which are not subject to PRA rules transposing the Solvency II Directive. Small NDFs are, broadly, those with an asset base of £25m or less.

² Larger NDFs are, broadly, those with an asset base of more than £25m.

Who does this consultation affect?

- 1.5** This consultation affects all firms with permission to effect or carry out insurance contracts that fall out of scope of the Solvency II Directive (or of the PRA rules imposing Solvency II requirements), and their approved persons. The proposals in this CP are unlikely to be of practical relevance to approved persons of Appointed Representatives of these firms.

Is this of interest to consumers?

- 1.6** This consultation will primarily be of interest to firms and their approved persons. Consumers may be interested in how the staff they interact with will be required to comply with the proposed Conduct Rules.

Context

- 1.7** In CP 15/15 we proposed a number of reforms to the Approved Persons Regime (APR) in small NDFs. These changes were intended to ensure robust accountability of senior staff in these firms, following changes introduced by the Financial Services (Banking Reform) Act 2013 ('the Act') and the Prudential Regulation Authority's (PRA) proposed reforms to the scope of its pre-approval.
- 1.8** The PRA proposed to reduce the scope of its mandatory approval regime for small NDFs by requiring them to have a minimum of one individual approved as a Senior Insurance Manager in these firms.³ It has published a set of prescribed responsibilities which must be allocated to a PRA or FCA approved senior manager.
- 1.9** The FCA has a broader set of operational objectives. Accordingly, a broader range of roles in NDFs have the potential to adversely affect these objectives. Therefore our approach is broadly to maintain the current scope of FCA regulation for executive functions.
- 1.10** CP15/15 consulted on:
- Making consequential rule changes that ensure individuals in executive functions who can significantly impact the FCA's objectives and who are currently approved by the PRA will continue to be approved by the FCA
 - Removing NEDs that are not the Chairman, a Senior Independent Director or the chair of a key committee from pre-approval
 - Not maintaining (as an FCA function) the existing PRA CF28 function
 - Applying new FCA Conduct Rules to FCA and PRA approved persons, mirroring those that we proposed for individuals in banks and Solvency II firms

³ A subsequent PRA CP 26/15 published on 12 August 2015 proposes that the PRA will continue to maintain the Actuarial and Chief Actuary function holders (currently CF12 and CF12a) as SIMFs (SIMF20 and SIMF21, respectively).

- Amending our current approved persons assessments to include a requirement to submit information on the scope of SIF applicants' responsibilities to support our assessments of fitness and propriety for key staff
- Dis-applying the specific CF8 apportionment and oversight function and:
 - allowing firms to allocate the responsibility for apportionment of responsibilities to a senior approved individual⁴ (instead of mandating that this be allocated to the CEO or equivalent as now), and
 - removing the requirement to allocate responsibility for oversight of the establishment and maintenance of systems and controls, because the PRA will require an equivalent responsibility to be allocated to an approved senior manager.

1.11 This CP sets out some amendments to these proposals, based on responses to CP15/15.

1.12 Larger NDFs were carved out of these reforms, given their greater potential to impact on FCA objectives. Building on the PRA's proposals, in this CP we publish proposals for reforming the regime for these firms.

1.13 Firms should read this CP alongside the PRA's CP26/15 *Senior Insurance Managers Regime: Implementation proposals for non-Solvency II firms* and their PS21/15 *The Senior Insurance Managers Regime: a streamlined approach for non-Solvency insurance firms*⁵ in order to understand how the regulators' reformed regimes will work together as a cohesive whole.

Summary of our proposals

1.14 In summary, the key proposals set out in this CP are:

- To treat larger NDFs in the same way as Solvency II firms for the purposes of individual accountability and governance (where the PRA has done so). This reflects the greater potential of these firms to have an adverse impact upon FCA objectives.
- To remove all non-executive directors from the scope of our proposed reformed SIF regime for small NDFs.
- To require small NDFs to have Scope of Responsibilities documents in place for all SIFs by 7 March 2017 at the latest to clarify for both firms and regulators exactly who is responsible for what.
- To reduce the proposed mandatory record keeping period from ten years to six for small NDFs.
- To 'grandfather' existing Controlled Function (CF) holders in NDFs into the reformed regime on 7 March 2016. Firms will not need to apply for new approvals for these individuals, provided that they are moving into a function in the reformed regime that is equivalent to one which they already have approval for. Firms will, however, need to send a notification to the regulators setting out which individuals will be moving to which functions.

⁴ Either a PRA Senior Insurance Management Function (SIMF) holder, or an FCA Significant Influence Function (SIF) holder.

⁵ Available at <http://www.bankofengland.co.uk/pr/Pages/publications/insurance/allinsurancepolicypub.aspx>.

- 1.15** While the proposals made in this paper are for regulatory purposes, all firms should for their own purposes ensure that conduct risk and the fair treatment of customers and policyholders is at the heart of their business and how it is conducted. This includes clarity in role descriptions and objectives for all staff, and particularly those in positions of influence. Firms may also wish to consider how they measure the success (or otherwise) in regard to the achievement of these objectives and how this is rewarded through remuneration packages.

Equality and diversity considerations

- 1.16** We have considered the equality and diversity issues that may arise from the proposals in this CP. We do not consider that the proposals in this CP raise concerns in this regard. We do not consider that the proposals in this consultation result in direct discrimination for any of the groups with protected characteristics: that is, age, disability, gender, pregnancy and maternity, race, religion and belief, sexual orientation and transgender. We welcome comments in this area.

Impact on mutuals

- 1.17** Many of the firms that these reforms apply to are mutuals. We have amended our original proposals for smaller NDFs taking into account feedback about the burden they might put on mutuals. We consider that the proposals in this CP15/25 are appropriate and proportionate for these firms. We also believe the impact of the proposals will not be significantly different from the impact on other firms, but we welcome views from respondents on this issue.

Next steps

What do you need to do next?

- 1.18** We are asking for feedback on the proposals set out in this CP, and in particular we would welcome responses to consultation questions 1 to 5, set out at Annex 1.
- 1.19** Please send your responses to us at: cp15-25@fca.org.uk by 12 October 2015. This is a shortened consultation period, to allow for full transition to the reformed regime in time for the commencement of the relevant Financial Services (Banking Reform) Act provisions in March 2016.

What will we do?

- 1.20** We will consider your feedback and plan to publish our final rules in the autumn.

2. Updates to our proposals for small NDFs

Overview

- 2.1** This chapter summarises the changes we intend to make to the regime we proposed in CP15/15. Our position on the other aspects of the proposed regime remains largely unchanged. Final rules and our response to wider issues raised in the feedback to CP15/15 will be published later in the year in our policy statement.

Feedback on our proposals on the scope of the regime for small NDFs, and our response

- 2.2** Much of the feedback we received to the consultation suggested that the scope of the proposed reformed regime was unnecessarily wide, and therefore disproportionately burdensome, given the lesser risk that these firms can pose to our objectives. Although the regime proposed represented a narrower scope than that currently in place, we agree that a more streamlined approach is appropriate, while continuing to further our objectives. We therefore now propose to have no NEDs within the FCA-only approval regime.
- 2.3** Some respondents suggested that we align the scope of our regime with that of the PRA. We do not think that this would be appropriate. A wider range of functions have the potential to impact our objectives than can impact those of the PRA, and mirroring the scope of its regime would exclude from regulation many individuals performing these functions.
- 2.4** However, given the limited size and complexity of smaller NDFs, we do not believe it is necessary to have any NEDs, other than non-executive chairs⁶ within the combined regulators' approval regime.
- 2.5** These changes will not affect the CF30 customer function, which will be retained in its current form (other than the fact that individuals within these roles will become subject to the new Conduct Rules rather than APER).

Requiring scope of responsibilities documents to be in place for all SIF holders

- 2.6** In CP15/15 we proposed that firms be required to submit documents with all SIF approval applications setting out the intended scope of the candidates' responsibilities. We also stated that we would consider the arguments for having such documents in place for all incumbent SIF holders. We believe that such documents are a powerful tool for enhancing individual

⁶ The PRA's regime will include non-executive chairs of small NDFs, where these roles exist.

accountability in firms, and so will require them to be in place for all SIF holders by 7 March 2017, 12 months after the commencement of the new regime. Since these are small firms with relatively simple business models and governance structures, we would expect these to be short and simple documents. A template for this document is attached at Appendix 2.

- 2.7** We will not require firms to automatically submit these documents to the FCA at that time, but we may request a sample from some firms for review.

Record-keeping requirements

- 2.8** In CP15/15 we proposed that firms keep records of these scope of responsibilities documents for ten years. We received feedback on this proposal, which suggested that this was disproportionate for such small firms. We now propose that firms be required to keep these documents for six years, in line with the current rules in SYSC.

Q1: *Do you agree with the changes we have made to the regime for small NDFs originally proposed in CP15/15?*

3. Proposals for reforming the accountability regime for larger NDFs

Overview

- 3.1** The arrangements we consulted on for smaller NDFs in the March CP would only apply to those firms with an asset base of less than £25m. In this chapter we set out our proposals for larger NDFs. As of August 2015, there are fewer than 10 of these firms in existence.

Proposals

- 3.2** Some responses to our consultation did not agree with our proposals for treating larger NDFs in a different way to that proposed for smaller firms. They believed no NDF would pose a significant risk to the FCA's objectives, and that differentiating between different sizes of firm within this population introduced unnecessary complexity. Some suggested that we had wrongly interpreted the definition of a Solvency II firm.
- 3.3** Our proposed policy is a deliberate decision to split the NDF population, rather than an attempt to interpret the Solvency II Directive threshold. As noted previously, larger NDFs have a greater potential to impact on the FCA's objectives. In addition, the PRA has decided to split the population in this way. Our proposals are intended to work alongside those of the PRA in a coherent manner. We consider that taking an approach for these firms that is different to the one we have designed to work with the PRA's regime for Solvency II firms would add further complexity to the regulatory landscape, rather than minimise it.
- 3.4** For these firms, we therefore intend to take the same approach as is set out in detail in our PS for Solvency II firms⁷, published alongside this CP. A summary of this approach is set out below.

Scope of the FCA approval regime, and fitness and propriety requirements

- 3.5** In replacing its SIF functions with a new Senior Insurance Managers Regime, the PRA has chosen to reduce the number of executive management roles which it will retain within its pre-approval regime to focus on those functions it believes can most impact the prudential strength of the firm, and therefore its statutory objectives. Given the FCA's broader set of objectives, we propose maintaining as FCA SIF controlled functions the majority of the functions where the PRA does not propose to introduce an equivalent Senior Insurance Management Function (SIMF) function. This is based on our conclusion that individuals performing these roles can significantly impact our statutory objectives. The new suite of PRA and FCA controlled functions for these firms is set out in Chapter 5.
- 3.6** We propose a regime, where, taken together with the PRA's, the NED functions remaining in regulation will be the Chairman, a Senior Independent Director, and the chairs of key

⁷ <http://www.fca.org.uk/news/ps15-21-changes-to-the-approved-persons-regime-for-solvency-ii-firms>.

committees.⁸ This will allow us to focus our resources on those NEDs who can most directly impact our objectives.

3.7 We also propose dis-applying the CF8 oversight and apportionment function, but requiring that responsibility for the allocation of responsibilities be given to a senior approved person⁹, and that responsibility for oversight of the establishment and maintenance of systems and controls be allocated to the CEO or equivalent.

3.8 We intend to amend our current Approved Persons assessments to reflect the Solvency II framework, supplementing the information we request in line with EIOPA guidelines (see draft form attached at Appendix 2). We think the additional information will provide useful support for our assessment of candidates, and also would be relevant for those firms that do subsequently transition to Solvency II status.

Governance and accountability

3.9 Assessing the fitness and propriety of proposed candidates for controlled functions in firms is an important part of ensuring appropriate standards of conduct. To support these assessments we propose requiring firms to submit documents setting out the intended scope of all SIF candidates' responsibilities with Forms A and E from 7 March 2016. To support the ongoing accountability of the individual, we propose requiring firms to have scope of responsibilities documents in place for all SIF holders grandfathering into the new regime from 7 September 2016 at the latest. These must be kept up to date and signed by the SIF holder in question as well as a firm representative. This will ensure clear allocation of responsibilities for individuals, as well as for firms and regulators. The draft scope of responsibilities forms/ templates are included at Appendix 2.

3.10 We intend to introduce a requirement building on that of the PRA that firms must have in place a Governance Map setting out how the key responsibilities of the firms are allocated amongst senior members of staff (including all SIF holders) from 7 March 2016. Firms must keep records of their Governance Maps and Scope of Responsibilities documents for six years, in recognition that failings can come to light some time after they have occurred.

Conduct rules

3.11 We propose introducing a new set of Conduct Rules, mirroring those that we have proposed for banks, Solvency II firms and smaller NDFs. These are set out in the table below and articulate basic, common sense standards of good conduct. We propose that rules 1 to 5 should apply to all FCA and PRA approved persons, while rules SIF1 to SIF4 should apply to FCA SIF holders and to all PRA approved persons.¹⁰ These rules place increased emphasis on treating customers fairly (for all approved persons), and on responsible delegation (for SIF and SIMF holders only).

⁸ The PRA will retain the Chairman, Senior Independent Director, and Chairs of the Risk, Remuneration and Audit Committees, while the FCA will regulate the Chairs of the Nomination and With-Profits Committees.

⁹ Either a PRA SIMF holder, or an FCA SIF holder.

¹⁰ Under the Act, the PRA may only designate Controlled Functions which it considers to be Senior Management Functions.

First tier – Individual Conduct Rules

Rule 1: You must act with integrity.

Rule 2: You must act with due skill, care and diligence.

Rule 3: You must be open and cooperative with the FCA, the PRA and other regulators.

Rule 4: You must pay due regard to the interests of customers and treat them fairly.

Rule 5: You must observe proper standards of market conduct.

Second tier – Significant Influence Function holder Conduct Rules

SIF1: You must take reasonable steps to ensure that the business of the firm for which you are responsible is controlled effectively.

SIF2: You must take reasonable steps to ensure that the business of the firm for which you are responsible complies with the relevant requirements and standards of the regulatory system.

SIF3: You must take reasonable steps to ensure that any delegation of your responsibilities is to an appropriate person and that you oversee the discharge of the delegated responsibility effectively.

SIF4: You must disclose appropriately any information of which the FCA or PRA would reasonably expect notice.

3.12

We also intend to make changes to SYSC to reflect the PRA approach to apply Solvency II-derived governance requirements to large NDFs.

Q2: *Do you agree with our proposed changes to the accountability regime for larger NDFs?*

4. Forms

Overview

- 4.1** This chapter sets out the proposed new forms for the new regime and explains how they will be used, and proposes updates to existing forms. The forms can be found in Appendix 2.

New forms: scope of responsibilities documents

- 4.2** The PRA and FCA have produced new forms reflecting the new statutory and regulatory requirements of the regime.
- 4.3** The regulators have created forms to clarify the scope of responsibilities that firms assign to senior individuals. All new PRA SIMF or FCA SIF candidates (and those with in-flight applications) will be required to submit a scope of responsibilities document with their application forms (see chapter 5). Firms will be required to have these documents in place for all SIMFs/ SIFs by 7 September 2016 for larger NDFs, and by 7 March 2017 for smaller NDFs.
- 4.4** The scope of responsibilities should be clear and succinct. The ultimate aim of the scope of responsibilities is to list clearly all areas for which a SIMF/ SIF is responsible, and details of those responsibilities. The regulators may ask for further clarity where needed.
- 4.5** There are separate forms proposed for smaller and larger NDFs (larger NDFs will use a version of the forms for Solvency II firms).

Q3: *Do you agree with the proposed scope of responsibilities forms?*

Changes to existing forms: Form A and Form E¹¹

- 4.6** The regulators have also drafted new versions of Forms A and E, which firms will need to submit to apply for approval for an individual to perform a SIMF/SIF/CF.
- 4.7** The key changes are:
- To require the forms to be accompanied by a scope of responsibilities document.

¹¹ The draft Forms A and E attached at Appendix 2 are not comprehensive- they only show the changes related to the proposals set out in CP15/15 and this CP15/25.

- Changes to the list of the controlled functions to reflect the new regime.
- New requirements for criminal records checks for all PRA SIMF candidates.
- For **larger NDFs only**, the introduction of new questions on Form A to reflect new information proposed by EIOPA guidelines for Solvency II firms. These are:
 - Candidate phone number.
 - Proposed date of appointment.
 - Length of appointment (if applicable).
 - Country in which candidate was previously assessed by the regulatory body (if applicable).
 - Has the candidate ever participated in an arbitration board?
 - Has the candidate ever been on a board of directors in an operating undertaking that has not been granted a release from liability?
 - Is the candidate aware of any conflicts of interest, including:
 - qualifying ownership or any other form of substantial influence in the firm or group
 - close relatives with ownership shares in the firm or group
 - close relatives with any other financial relations in the firm or group, or
 - any other commitments that may give rise to a conflict of interest?

The candidate should provide an explanation of the circumstances and how they intend to deal with them.

- **For larger NDFs only**, new requirements for firms to seek regulatory references for all PRA SIMF candidates.

Q4: *Do you agree with the proposed approach to forms as set out in this chapter?*

5. Transitional arrangements

- 5.1** In this chapter, we propose arrangements both for grandfathering individuals who are currently approved as SIF holders into the reformed regime and, more generally, for other aspects of firms' preparations for the new regime. The requirements for larger NDFs are slightly different to those for smaller firms.

Grandfathering SIF holders

- 5.2** HM Treasury has announced that the date of the changes to FSMA brought about by the relevant parts of the Act is 7 March 2016. From this date (the Commencement Date), it is proposed that the Conduct Rules will apply to persons performing controlled functions in all NDFs.
- 5.3** The grandfathering approach set out below takes into account our expectations of the HM Treasury Statutory Instrument. This will, among other outcomes, allow the grandfathering of individuals already approved under the APR to move into the new regime without a fresh approval, if they will be performing an equivalent function under the new regime.
- 5.4** The regulators intend that those persons to be grandfathered will comprise all approved persons to whom all of the following conditions apply:
- He or she is performing the corresponding role under the existing regime immediately before the commencement date.
 - That function, or part thereof, will become a PRA SIMF or FCA SIF under the reformed regime at the commencement date.
 - The person has complied with the notification requirements proposed in this CP.
- 5.5** To allow for grandfathering to take place, firms will need to submit a notification to the regulators. Grandfathering notification forms for small and large NDFs have been designed for this purpose (these can be found at Appendix 2 of this CP). The notification should describe how the firm's existing approvals should transition to the new regime. The deadline for such notifications is 8 February 2016. We will require all grandfathered individuals to fulfil the requirements of the reformed regime from the start on 7 March 2016.
- 5.6** This grandfathering process will be a joint exercise with the PRA. Firms will only need to send in one notification to cover persons approved by both regulators.
- 5.7** Because of the different scopes of the SIF regimes for smaller and larger NDFs, we propose slightly different grandfathering arrangements for each.

5.8 Grandfathering arrangements for small NDFs

Grandfathering notifications (and any updates to them) for small NDFs should be submitted to the PRA on PDF forms, via email.

5.9

Table 5.1 sets out the information we will require for each individual holding different controlled functions:

Table 5.1: Notifications for controlled functions

Function	Where is information required, and what should it say?	What will happen if no information is given?
CF1	Firms should let us know whether an individual is becoming a PRA SIMF25, remaining as a CF1 (but becoming FCA-only regulated), or no longer remaining in post.	Individual will fall out of regulation.
CF2	Firms should let us know whether an individual is becoming a PRA SIMF25, or falling out of regulation. ¹²	Individual will fall out of regulation.
CF3	Firms should let us know whether an individual is becoming a PRA SIMF25, remaining as a CF1 (but becoming FCA-only regulated), or no longer remaining in post.	Individual will fall out of regulation.
CF5	Firms should let us know whether an individual is becoming a PRA SIMF25, remaining as a CF5 (executive only) (but becoming FCA-only regulated), or no longer remaining in post.	Individual will fall out of regulation.
CF6	Firms should let us know whether an individual is becoming a PRA SIMF25, remaining as a CF6 (executive only) (but becoming FCA-only regulated), or no longer remaining in post.	Individual will fall out of regulation.
CF8	No notification required – function will cease to exist.	
CF10	No information required.*	Individual remains FCA approved in the new regime.
CF11	No information required.*	Individual remains FCA approved in the new regime.
CF12	Where an individual is becoming a PRA SIMF20, firms should let us know.	Individual will fall out of regulation.
CF12a	Where an individual is becoming a PRA SIMF21, firms should let us know.	Individual will fall out of regulation.
CF28	Where an individual is becoming a PRA SIMF25, firms should let us know.	Individual will fall out of regulation.
CF29	No information required.*	Individual will remain FCA approved in the new regime.
CF30	No information required.*	Individual will remain FCA approved in the new regime.

*Firms should note that the only situation in which a notification is not required is where the individual will continue *only* to perform the same function.

¹² Either because they do not meet the test to become a SIMF25, but are remaining in post, or because they are leaving the firm.

- 5.10** There will be no grandfathering where individuals are performing CFs that map across to the new suite of SIMF/SIF functions, but relevant information is not provided to the regulators in the manner set out above. The approval will lapse and, if necessary, a new application seeking approval will have to be submitted.
- 5.11** If an existing approved person moves between functions at the point of transition, this will require a fresh application and approval (as per the current regime).
- Grandfathering arrangements for larger NDFs**
- 5.12** Grandfathering notifications (and any updates to them) for larger NDFs should be submitted to the PRA on PDF forms, via email.
- 5.13** Firms will not need to take any action regarding individuals who are currently approved to perform an FCA SIF/CF, which only map to the same SIF/CF, and who will continue to perform the same FCA SIF/CF. These functions are CF10, CF10a, CF11 and CF30.
- 5.14** Notifications on the designated grandfathering form will be required for all other Controlled Functions. There will be no grandfathering where individuals are performing CFs that map across to the new suite of SIMF/SIF functions, but are not notified to the regulators as grandfathering to one of these functions. The exception to this are those individuals referred to in 5.13 above. The approval will lapse and, if necessary, a new application seeking approval will have to be submitted.
- 5.15** If an existing approved person moves between functions at the point of transition, this will require a fresh application and approval (as per the current regime).
- 5.16** Table 5.2 below sets out which existing functions are equivalent to the new functions in the reformed regime in larger NDFs.

Table 5.2: Current and reformed APRs

Current APR		Reformed APR
Current PRA / FCA controlled function	New PRA CF	FCA CFs
PRA Director (CF1)	CFO (SIMF2) CRO (SIMF4) Head of Internal Audit (SIMF5) Chief Actuary (SIMF20) Chief Underwriting Officer Function (General Insurance Firms) (SIMF22) Group Entity Senior Insurance Manager (SIMF7)	CF1s not otherwise grandfathered to any PRA SIMF function in Column 2
PRA NED (CF2)	Chairman (SIMF9) Senior Independent Director (SIMF14) Chair of the Risk Committee (SIMF10) Chair of the Audit Committee (SIMF11) Chair of the Remuneration Committee (SIMF12) Group Entity Senior Insurance Manager (SIMF7).	Chair of the Nomination Committee (CF2a) not otherwise grandfathered to a CF2 equivalent PRA SIMF function in Column 2 Chair of the With-Profits Committee (CF2b) not otherwise grandfathered to a CF2 equivalent SIMF function in Column 2

Current APR		Reformed APR
Current PRA / FCA controlled function	New PRA CF	FCA CFs
PRA CEO (CF3)	CEO (SIMF1)	
PRA Director of an unincorporated association (CF5)	CFO (SIMF2) CRO (SIMF4) Head of Internal Audit function (SIMF5) Group Entity Senior Insurance Manager function (SIMF7) Chief Actuary (SIMF20) Chief Underwriting Officer function (SIMF22) Chairman (SIMF9) Chair of the Risk Committee function (SIMF10) Chair of the Audit Committee function (SIMF11) Chair of the Remuneration Committee (SIMF12) Senior Independent Director (SIMF14)	Executive CF5 not otherwise grandfathered to any PRA SIMF function in Column 2 Chair of the Nomination Committee (CF2a) not otherwise grandfathered to a CF2 equivalent PRA SIMF function in Column 2 Chair of the With-Profits Committee (CF2b) not otherwise grandfathered to a CF2 equivalent SIMF function in Column 2
PRA Small Friendly Society function (CF6)	CFO (SIMF2) CRO (SIMF4) Head of Internal Audit function (SIMF5) Group Entity Senior Insurance Manager function (SIMF7) Chief Actuary (SIMF20) Chief Underwriting Officer function (SIMF22) Chairman (SIMF9) Chair of the Risk Committee function (SIMF10) Chair of the Audit Committee function (SIMF11) Chair of the Remuneration Committee (SIMF12) Senior Independent Director function (SIMF14)	Executive CF6 not otherwise grandfathered to any PRA SIMF function in Column 2 Chair of the Nomination Committee (CF2a) not otherwise grandfathered to a CF2 equivalent PRA SIMF function in Column 2 Chair of the With-Profits Committee (CF2b) not otherwise grandfathered to a CF2 equivalent SIMF function in Column 2
FCA Compliance Oversight (CF10)		Compliance Oversight (CF10)
FCA CASS Operational Oversight (CF10a)		CASS Operational Oversight (CF10a)
FCA Money Laundering Reporting (CF11)		Money Laundering Reporting (CF11)
PRA Actuarial function (CF12)	Chief Actuary (SIMF20)	
PRA With-profits Actuary (CF12a)	With-profits Actuary (SIMF21)	

Current APR		Reformed APR	
Current PRA / FCA controlled function	New PRA CF	FCA CFs	
PRA Systems and Controls (CF28)	CFO (SIMF2) CRO (SIMF4) Head of Internal Audit (SIMF5)		
FCA Significant Management (CF29)	Chief Underwriting Officer Function (General Insurance Firms) (SIMF22) Group Entity Senior Insurance Manager (SIMF7) Chief Actuary (SIMF 20)	CF29s not otherwise grandfathered to any PRA SIMF function in Column 2 ¹³	
FCA Customer Function (CF30)		Customer Function (CF30)	

Grandfathering process for applications made before commencement of the new regime

5.17 A firm may continue to apply for approval for individuals under the current APR between the date the rules are made and the point when the new regime comes into force on the Commencement Date.

5.18 One possible outcome of such an application is that the application is approved before the new regime begins. Where this is the case the individual will need to be grandfathered in accordance with the approach set out above. Firms will be required to notify the regulators of any new or pending applications for approval on the grandfathering form. Such applications for approval before the Commencement Date will be determined in accordance with the regulators' existing 'fit and proper' requirements.

In-flight applications

5.19 Another potential outcome of a new application made in the run-up to commencement is that the application for approval is not determined until after the Commencement Date. We refer to such applications here as 'in-flight applications'. The proposed approach to in-flight applications is that they will be treated as if they had been made for the equivalent Controlled Function under the new regime. The proposed mapping of old to new functions for in-flight applications is the same as for Controlled Function holders who are already in post. This approach will mean that firms will be required to update the application to make clear which SIMF/SIF will be performed.

5.20 It is proposed that the statutory time period for determining applications will continue to run for any in-flight applications: the clock will not restart at the Commencement Date. As with current applications for approval, the clock will stop while we are waiting to receive any additional information that either regulator has requested to determine the application under the new regime.

5.21 There may be cases where the firm does not know if an application will be determined by the PRA or the FCA before the Commencement Date. This will mean that the firm does not know if the application will be subject to grandfathering or treated as an in-flight application. The PRA and the FCA propose that firms should make a combined application and grandfathering notification that will cover both eventualities. The application will be submitted using the relevant approved person form (typically Form A or E), with a notification included in the grandfathering notification form.

¹³ By virtue of SUP 10A.9.11R.

Q5: *Do you agree with the proposed approach to grandfathering existing approved persons into the new regime?*

Applications for the new regime before commencement

- 5.22** We propose that from 7 March 2016 for applications to the FCA, the updated application will need to be accompanied by a scope of responsibilities document and (for larger NDFs) all other new information required to align with the approach for Solvency II firms (which align with EIOPA Guidelines on the fitness and propriety of key function holders).
- 5.23** For a period before the commencement of the new regime (from 1 January 2016) we propose to make the new forms available in PDF format to permit a firm to apply for the new functions. This will be on the basis that any decision on those applications can take effect no earlier than the Commencement Date. These applications will be assessed as having been made under the new regime, and they must meet its requirements, including the submission of the scope of responsibilities form for the candidate.
- 5.24** The statutory clock will not start on such an application until after the regime begins on the Commencement Date. Firms will not be required to apply for approval to perform the new functions between the rule-making date and the commencement date. Instead, they may make an application to perform the existing CFs right up to the day before the new regime begins. Such applications will need to be grandfathered on the Commencement Date or treated as in-flight applications, as described above. The grandfathering notification form will include a prompt for firms to notify grandfathering details of any pending applications for approval.

Application of Conduct Rules

- 5.25** The regulators believe that the Conduct Rules, which are proposed in CP15/15 and Chapter 3, above, are appropriate for individuals in both the banking and insurance sectors. The Conduct Rules will apply to all FCA and PRA approved persons in insurers and NDFs from 7 March 2016.

Preparing scope of responsibilities documents for incumbent SIF holders

- 5.26** We will require firms to have in place scope of responsibilities documents for all SIF holders in:
- larger NDFs by 7 September 2016
 - smaller NDFs by 7 March 2017

6. Summary timetable for implementation

6.1 The timetable for the implementation of the regime is set out below.

For smaller NDFs

- **Autumn 2015.** Publication of final rules. Paper grandfathering forms become available for submission by email.
- **1 January 2016.** Firms will be able to send in new applications¹⁴ for SIF function holders taking up their post after commencement of the reforms.
- **8 February 2016.** Firms must have submitted a grandfathering notification form for relevant functions (see Appendix 2).
- **7 March 2016.** Reforms to the regime come into effect:
 - Approved persons in firms will become subject to the new Conduct Rules. While insurers and reinsurers are not subject to section 64B of FSMA to ensure that their approved persons understand the new regime that applies to them, we would expect that insurers would need to do this in order to comply with the threshold condition in paragraph 3D to Schedule 6 of FSMA (see current guidance on this in COND 2.5.6G(7)).
 - Use of new application forms A and E becomes mandatory.¹⁵
- **7 March 2017.** Scope of responsibilities documents for all SIF holders (including those who have grandfathered to the new regime) to be available for FCA review. These are not required to be submitted to the FCA at this time, but we maintain the right to request that these be submitted to us at any time from 7 March 2017 (at the latest).

For larger NDFs

- **Autumn 2015.** Publication of final rules. Paper grandfathering forms become available for submission by email.
- **1 January 2016.** Firms will be able to send in new applications¹⁶ for SIF function holders taking up their post after commencement of the reforms.
- **8 February 2016.** Firms must have submitted a grandfathering notification form (see Appendix 2).

¹⁴ In PDF format.

¹⁵ Submitted via Connect.

¹⁶ In PDF format.

- **7 March 2016.** Reforms to the regime come into effect:
 - Approved persons in firms will become subject to the new Conduct Rules. While insurers and reinsurers are not subject to section 64B of FSMA, to ensure that their approved persons understand the new regime that applies to them, we would expect that insurers would need to do this to comply with the threshold condition in paragraph 3D to Schedule 6 of FSMA (and see current guidance on this in COND 2.5.6G(7)).
 - Use of new application Forms A and E becomes mandatory.¹⁷
 - Firms must have Governance Maps in place.
- **7 September 2016.** Scope of responsibilities documents for all SIF holders (including those who have grandfathered to the new regime) to be available for FCA review. These are not required to be submitted to the FCA at this time, but we maintain the right to request that these be submitted to us at any time from 7 September 2016.

¹⁷ Submitted via Connect.

7. Consequential changes to the Handbook

- 7.1** There are some consequential changes to APER, COCON, SUP 10A, SYSC and the glossary. These are set out in Appendix 1.

Annex 1

List of questions

- Q1:** *Do you agree with the changes we have made to the regime for small NDFs originally proposed in CP15/15?*
- Q2:** *Do you agree with our proposed changes to the accountability regime for larger NDFs?*
- Q3:** *Do you agree with the proposed scope of responsibilities forms?*
- Q4:** *Do you agree with the proposed approach to forms as set out in this chapter?*
- Q5:** *Do you agree with the proposed approach to grandfathering existing approved persons into the new regime?*

Annex 2

Cost benefit analysis

1. The FCA is required to carry out and publish a cost benefit analysis (CBA) when proposing rules (refer to sections 138L and 138J of the FSMA).

Smaller NDFs

2. We carried out a CBA of the reforms proposed in CP15/15 in Annex 2 of that document. That analysis forms the baseline for this CBA.
3. In this CP, we are proposing amendments to the proposals for small NDFs we set out in CP15/15, taking into account the feedback we received, as well as consulting on a reformed regime for larger NDFs.
4. For small NDFs, the FCA proposes to remove all non-executive directors from the scope of our proposed SIF regime. This will reduce burdens on firms and allow them and us to focus resources on the individuals most likely to impact our objectives.
5. We also propose to require these firms to have scope of responsibilities documents in place for all SIFs by 7 March 2017. We believe that this will add minimal incremental costs on firms, as it merely accelerates the process necessitated by our requirements that such documents are to be prepared for all new SIF candidates. We also propose that firms should hold these for six years. We think that this will also impose minimal incremental costs on firms, since this reflects existing requirements in SYSC 2 on holding records relating to the allocation of responsibilities.

Larger NDFs

6. We believe that, for the following proposals, incremental costs to firms will be minimal:
 - Continuing to require pre-approval of Controlled Functions which the PRA has chosen to stop making subject to its pre-approval. The proposal is to use the existing approved persons regime mechanisms and processes to individuals who are already subject to pre-approval (albeit by the PRA).
 - The introduction of new FCA Conduct Rules. These do not in themselves introduce broader requirements on firms and only introduce one additional requirement on all approved persons, individual Conduct Rule 4 (Rule 4), and one additional requirement on FCA SIF holders, Significant Influence Conduct Rule 3 (SI3). Both Rule 4 and SI3 are aligned with existing guidance in APER. Therefore, minimal incremental costs are expected.
7. Other changes will bring minimal incremental costs for firms. The proposal for firms to maintain Governance Maps, and submit and maintain more detailed information and scope of responsibilities documents for all SIF holders, and to keep these documents for six years, will impose minimal incremental costs.

8. These requirements build on existing provisions in the Handbook that firms must maintain records on the allocation of responsibilities and submit job descriptions with SIF applications. We consider that the advantages of building on these existing obligations to make firms' documentation in these areas more robust and more uniform outweigh the costs. These benefits will be in the form of supporting the rigorous assessment of fitness and propriety of senior staff, and enhancing the accountability of these individuals.
9. The changes proposed in this document for larger NDFs will further the FCA's objectives by:
- supporting fitness and propriety through enhanced checks
 - ensuring that key individuals remain in scope of conduct regulation and can be properly held to account for the proper discharge of responsibilities, and
 - emphasising the importance of treating customers fairly and of responsible delegation in the new Conduct Rules

Transitional arrangements

10. Additionally, the CP consults on changes to the forms necessary for the implementation of the regime for both larger and smaller NDFs, as well as transitional arrangements for implementing the reforms. The FCA is proposing to grandfather existing Controlled Function (CF) holders into the reformed regime on 7 March 2016. The FCA considers that this will introduce minimal incremental costs to firms compared to the alternative of firms needing to re-apply for approval.
11. The CP will result in consequential changes arising as a result of the new regime. This builds on the changes already made to the FCA Handbook as part of *Strengthening accountability in banking: a new regulatory framework for individuals* (CP14/13 and CP1/31). The FCA is proposing to make minimal changes only, which do not impose any additional obligations on firms. The only costs likely to be incurred as a result are those associated with updating compliance manuals as appropriate. The FCA considers these changes to result in minimal incremental costs to firms.
12. The FCA will consider any further evidence provided regarding the incremental costs to firms that may result from the changes set out in this CP as part of this consultation.

Annex 3

Compatibility Statement

Compatibility with the FCA's general duties

1. This Annex sets out how the proposals in this CP are compatible with the general duties and regulatory principles of the FCA.
2. The FCA is required, by section 138I of FSMA, to explain why making the proposed rules is compatible with its strategic objectives, advances its operational objectives, and has regard to the regulatory principles in section 3B of FSMA.

The FCA's strategic objective and regulatory principles

3. The proposals set out in this CP are compatible with our strategic objective of ensuring that the relevant markets function well. This CP supports our March CP proposals for clarifying responsibilities at the top of firms. This should, over time, result in improved governance within this sector of the industry.
4. In preparing the proposals set out in this consultation, we have had regard to the regulatory principles set out in s.3B FSMA. We set out below how our proposals demonstrate such regard for each of the regulatory principles.

The need to use our resources in the most efficient and economical way

5. We noted in the March CP that those proposals would have an impact on the FCA's existing authorisations, supervision and enforcement processes and systems. The proposals in this CP will not have any further impact that has not already been considered.

The principle that a burden or restriction should be proportionate to the benefits

6. The proposals set out in this CP support the enhanced individual accountability proposed in the March CP. In developing its proposals, the FCA has sought to make the process of grandfathering as efficient as possible, by providing a new form and not requiring re-submission of previously submitted information. We have made only minor changes to existing forms (including Form A) where possible. Where new forms and templates are required, the FCA has sought to ensure they are clear and effective, without being overly prescriptive.
7. We note that many of the firms that the proposals in this CP will apply to are mutuals. We have amended our original proposals for smaller NDFs from the March CP taking into account feedback about the burden that might be put on mutuals. The amended proposals set out in this CP represent a reduction in the regulatory burden from our March CP and the FCA considers them to be proportionate to the benefits.

The desirability of sustainable growth in the economy of the United Kingdom in the medium or long term

8. The proposed reforms are intended to have a positive impact on the behaviour and culture of firms, which should contribute to the advancement of this objective.

- 9. The general principle that consumers should take responsibility for their decisions**

The proposals we have made concern the internal organisation of firms and requirements applying to their staff. These are not matters over which consumers have influence.
- 10. The responsibilities of senior management**

One of the objectives of these proposals is to ensure that senior managers within insurers are clear about the responsibilities they hold and can therefore be more effectively held accountable for the performance of those responsibilities. The proposals, including new requirements to maintain up to date information on the scope of SIF holders' responsibilities, support the proposed reformed regime.
- 11. The desirability of exercising our functions in a way that recognises difference in the nature and objectives of businesses carried on by different persons**

As we stated in our March CPs, our implementation of changes to the approved persons regime for insurance firms is designed to take into account the different statutory provisions that apply to such firms when compared to banks. These proposals are also intended to be proportionate and take into account the different sizes of firm and the relative impact they can have on our objectives.
- 12. The desirability of publishing information relating to persons on whom requirements are imposed by or under FSMA**

We will not normally make public the fact that we are or are not investigating a particular matter or any of our findings or conclusions of an investigation public except as set out in Chapter 6 of the Enforcement Guide. The proposals contained in this CP do not change that position.
- 13. The principle that we should exercise our functions as transparently as possible**

We are an open and transparent regulator. The FCA will engage actively with relevant stakeholders throughout the consultation process.
- 14. The FCA's operational objectives, Consumer Protection and Market Integrity**

One of the aims of these proposals is to create a structure that will make it more likely that individuals and roles are appropriately matched and that high standards of conduct are observed in NDFs. These aims and objectives support our Consumer Protection and Market Integrity objectives.
- 15. Promoting competition**

We have had regard to our duty to promote effective competition in the interests of consumer under section 1B(4) FSMA. These proposals seek to implement requirements in the Banking Reform Act.
- 16.**

The FCA has given due weight to the interests of effective competition in evaluating and developing the proposals in this CP. The FCA does not consider that these proposals are likely to have any adverse impact on effective competition. We believe that the lighter touch, proportionate approach we are proposing for smaller firms may support competition by reducing barriers to entry.

Appendix 1

Draft Handbook text

**INDIVIDUAL ACCOUNTABILITY (NON-SOLVENCY II FIRMS) INSTRUMENT
2015**

Powers exercised

- A. The Financial Conduct Authority makes this instrument in the exercise of the following powers and related provisions in the Financial Services and Markets Act 2000 (“the Act”):
- (1) section 59 (Approval for particular arrangements);
 - (2) section 60 (Applications for approval);
 - (3) section 61 (Determination of applications);
 - (4) section 64A (Rules of conduct);
 - (5) section 69 (Statement of policy);
 - (6) section 137A (The FCA’s general rules);
 - (7) section 137T (General supplementary powers);
 - (8) section 139A (Power of the FCA to give guidance); and
 - (9) articles 2, 5, 6, 7, 8, 13, 17, 19 and 20 of the Financial Services (Banking Reform) Act 2013 (Transitional and Savings Provisions) Order (SI 2015/492).
- B. The rule-making powers listed above are specified for the purpose of section 138G(2) (Rule-making instruments) of the Act.

Commencement

- C. This instrument comes into force as follows:

Annex	Date comes into force
Part 1 of Annex A	[date tbc]
Part 1 of Annex E	[date tbc]
The remainder of this instrument	7 March 2016

Amendments to the FCA Handbook

- D. The modules of the FCA’s Handbook of rules and guidance listed in column (1) below are amended in accordance with the Annexes to this instrument listed in column (2) below:

(1)	(2)
Glossary of definitions	Annex A
Senior Management Arrangements, Systems and Controls sourcebook (SYSC)	Annex B
Statements of Principle and Code of Practice for Approved Persons (APER)	Annex C
Code of Conduct sourcebook (COCON)	Annex D
Supervision manual (SUP)	Annex E

Citation

- E. This instrument may be cited as the Individual Accountability (Non-Solvency II Firms) Instrument 2015.

By order of the Board of the Financial Conduct Authority
[*date*]

Annex A

Amendments to the Glossary of definitions

Part 1: Comes into force on [date tbc]

Insert the following new definitions in the appropriate alphabetical place. The text is not underlined.

<i>large non-directive insurer</i>	a ‘large non-directive insurer’ as defined in the PRA Rulebook: Glossary.
<i>small non-directive insurer</i>	a <i>firm</i> that is not a <i>Solvency II firm</i> and falls within the definition of ‘small non-directive insurer’ in the PRA Rulebook: Glossary.

Amend the following definition as shown.

<i>Solvency II firm</i>	a <i>firm</i> which is any of:
	...
	(e) ...;
	(f) <u>in SUP TP 7 and SUP TP 8 only, a large non-directive insurer,</u>
	...

Part 2: Comes into force on 7 March 2016

Amend the following definitions as shown.

<i>controlled function</i>	a function, relating to the carrying on of a <i>regulated activity</i> by a <i>firm</i> , which is specified by:
	...
	(b) the <i>PRA</i> in:
	...
	(ii) (for <i>Solvency II firms including large non-directive insurers, and for small non-directive insurers</i>) the <i>PRA Rulebook: Solvency II Firms: Insurance - Senior Insurance Management Functions, PRA Rulebook:</i>

Non-Solvency II Firms: Large Non-Solvency II Firms: Senior Insurance Management Functions, or PRA Rulebook: Non-Solvency II firms: Non-Solvency II Firms - Senior Insurance Management Functions; or

- (iii) ~~(for other firms) the table of PRA controlled functions [deleted];~~ or

...

director function

- (1) (in the *FCA Handbook*) *FCA controlled function* CF1 in Part 1 and, for a *Solvency II firm (including a large non-directive insurer) only* and a *small non-directive insurer*, Part 2 of the *table of FCA controlled functions*, described more fully in *SUP 10A.6.7R* and *SUP 10A.6.8R*.

FCA governing functions

any of the following *FCA controlled functions*:

...

- (b) (for a *Solvency II firm, including a large non-directive insurer*) *FCA controlled functions* CF1, CF2a, CF2b, and CF5 and, for *large non-directive insurers only*, CF6, in Part 2 of the *table of FCA controlled functions*; and
- (c) (for a *small non-directive insurer*) *FCA controlled functions* CF1, CF3, CF5 and CF6 in Part 2 of the *table of FCA controlled functions*; and
- (d) (for other firms and appointed representatives) *FCA controlled functions*...

PRA controlled function

a *controlled function* which is specified by the *PRA* under section 59 of the Act (Approval for particular arrangements) in:

... ...; or

- (2) (for *Solvency II firms including large non-directive insurers, and for small non-directive insurers*) the *PRA Rulebook: Solvency II Firms: Insurance - Senior Insurance Management Functions, PRA Rulebook: Non-Solvency II Firms: Large Non-Solvency II Firms - Senior Insurance Management Functions, or PRA Rulebook: Non-Solvency II Firms: Non-Solvency II Firms - Senior Insurance Management Functions; or*
- (3) ~~(for other firms) the table of PRA controlled functions [deleted].~~

senior conduct rules

(in *COCON*) a person who is:

staff member

...

- (c) an *approved person* performing a *significant influence function* (including a *PRA controlled function*) in a *Solvency II firm* (including a large non-directive insurer) or a small non-directive insurer.

significant- influence function

... a function that is likely to enable the *person* responsible for its performance to exercise a significant influence on the conduct of the *authorised person's* affairs, so far as relating to the activity. For the purposes of *SYSC 2*, *COCON* and *DEPP*, this also includes a *PRA controlled function*, as specified in the *PRA Rulebook*:
Solvency II Firms: Insurance - Senior Insurance Management Functions, *PRA Rulebook: Non-Solvency II Firms: Large Non-Solvency II Firms - Senior Insurance Management Functions*, or *PRA Rulebook: Non-Solvency II Firms: Non-Solvency II Firms - Senior Insurance Management Functions*.

Solvency II firm

a *firm* which is any of:

...

- (f) in *SUP TP 7* and *SUP TP 8* *SYSC*, *COCON*, *APER*, *SUP 10A* and *DEPP* only, a *large non-directive insurer*,

...

Annex B

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

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

2.2 Recording the apportionment

...

2.2.4 R ...

- (5) Each version of the governance map and, separately, the document recording a *person's* scope of responsibilities must be retained for ten years, or six years for large non-directive insurers, from the date on which ...

...

2.2.6 R A small non-directive insurer must keep an up-to-date record of the scope of responsibilities for each approved person performing a significant influence function and must:

- (1) retain each version of the document for six years from the date on which it was superseded by a more up-to-date record;
- (2) provide a copy of any version of the record in (1) to the FCA on request;
- (3) ensure that the record in (1) and each updated version:
- (a) has the form and content, subject to amendments to keep it up to date, as required to be provided to the FCA or PRA on the application of an approved person to perform a significant influence function; and
- (b) be signed by the approved person and also an appropriate representative of the firm.

2.2.7 G A firm applying for a person to be approved to perform a significant influence function is required to submit with Form A (long and short form) a scope of responsibilities document (See SUP10A Annex 4D).

...

TP 6 Transitional Provision 6

(1)	(2) Material to which the transitional provision applies	(3)	(4) Transitional provision	(5) Transitional provision: dates in force	(6) Handbook provisions: coming into force
	...				
3.	<u>SYSC 2.2.6</u>	R	<p><u>A firm is required to comply with the requirement to produce a scope of responsibilities record from the following dates:</u></p> <p>(a) <u>from 7 March 2016, to the extent that such a record already exists which satisfies SYSC 2.2.6R(3) or was required to be produced as part of an application for a person to be approved to perform a controlled function;</u></p> <p>(b) <u>if (a) does not apply, from the date that a firm actually produces such a record, if before 7 March 2017; and</u></p> <p>(c) <u>in any event, from 7 March 2017.</u></p>	<p><u>From 7 March 2016 until 7 March 2017 or, if earlier, the date on which any such scope of responsibilities document is produced or the firm is required to produce one.</u></p>	<p><u>7 March 2016</u></p>

Sch 1 Record keeping requirements

...

Sch 1.2G

Handbook reference	Subject of record	Contents of record	When record must be made	Retention period
...				
<u>SYSC 2.2.4R</u> , <u>or 6 years for large non-directive insurers.</u>
<u>SYSC 2.2.6R</u>	<u>scope of responsibilities for certain</u>	<u>As stated in rule</u>	<u>The records should be kept up to date, as</u>	<u>6 years from the date superseded.</u>

	<u>approved persons of small non-directive insurers</u>		<u>stated in the rule</u>	
...				

Part 2: comes into force on 7 March 2016

1.1A Application

...

1.1A.2 G ...

- (3) ... the *FCA* will take the *Solvency II Directive* derived requirements and guidelines into account and will interpret the *SYSC* rules and guidance in a way that avoids inconsistency. The definition of *Solvency II firm* includes (for *SYSC*) *large non-directive insurers* because the *PRA* have applied certain *Solvency II* derived requirements to those *firms*. Where *SYSC* refers to the *PRA* rulebook applicable to *Solvency II firms*, *large non-directive insurers* should read those references as if they were references to the corresponding part of the *PRA* Rulebook applicable to *large non-directive insurers*.

...

2 Senior management arrangements

2.1 Apportionment of Responsibilities

...

- 2.1.3 R A *firm* that is not a *Solvency II firm* or a *small non-directive insurer* must appropriately allocate to one or more individuals, in accordance with *SYSC* 2.1.4R, the functions of:

...

- 2.1.3C R A *small non-directive insurer* must appropriately allocate to one or more *approved persons* performing a *significant influence function*, the function of dealing with the apportionment of responsibilities under *SYSC* 2.1.1R.

- 2.1.4 R Allocation of functions

This table belongs to *SYSC* 2.1.3R and *SYSC* 2.1.3AR(2)

1: Firm type	2: (a) For a <i>firm</i> that is not a	...
--------------	----------------------------------------	-----

	<u>Solvency II firm and that is not a small non-directive insurer:</u> Allocation of both functions must be to the following individual, if any (see Note): ...	
...		
An incoming EEA firm ... (note only the function in SYSC 2.1.3R(2) or 2.1.3AR(2) must be allocated	...	

2.1.5 G SYSC 2.1.3R, SYSC 2.1.3AR and SYSC 2.1.4R give a *firm* some flexibility in the individuals to whom the functions may be allocated. In a *firm* that is not a Solvency II firm and is not a small non-directive insurer, it will be common for both the functions to be allocated solely to the *firm's chief executive*. SYSC 2.1.6G contains further *guidance* on the requirements of SYSC 2.1.3R, SYSC 2.1.3AR(2) and SYSC 2.1.4R in a question and answer form.

2.1.6 G Frequently asked questions about allocation of functions in SYSC 2.1.3R and SYSC 2.1.3AR(2).

...

	Question	Answer
...		
11	How does the requirement to allocate the functions in SYSC 2.1.3R or SYSC 2.1.3AR(2) apply to an <i>overseas firm</i> which is not an <i>incoming EEA firm</i> , <i>incoming Treaty firm</i> or <i>UCITS qualifier</i> ?	... The <i>apportionment and oversight function</i> applies to such a <i>firm</i> , unless it is a <u>Solvency II firm or a small non-directive insurer</u> , or falls within a particular exception from the <i>approved persons</i> regime (see Question 1).
...		

TP 6 Transitional Provision 6

(1)	(2) Material to which the transitional provision applies	(3)	(4) Transitional provision	(5) Transitional provision: dates in force	(6) Handbook provisions: coming into force
...					
4.	<u>SYSC 2.1.3C</u>	R	<u>A firm is not required to allocate the function of dealing with the apportionment of responsibilities to one or more <i>approved persons</i> performing a <i>significant influence function</i> until 7 March 2017. Until any new allocation is made, the existing allocation must continue.</u>	<u>From 7 March 2016 to 7 March 2017.</u>	<u>7 March 2016</u>
5.	<u>SYSC 2.2.1R and SYSC 2.2.1AR</u>	R	<u>A firm must continue to retain the records it was required to make and retain under SYSC 2.2.1R before its disapplication to the firm under SYSC 2.2.1AR, for as long as SYSC 2.2.1R required before its disapplication.</u>	<u>From 1 January 2016 until the date that the records are no longer required to be retained.</u>	<u>1 January 2016</u>

...

2.2 Recording the apportionment

...

- 2.2.1A R SYSC 2.2.1R does not apply to a *firm* to whom *PRA* Rulebook: Solvency II firms: Insurance – Allocation of Responsibilities, 5.1 and 5.2 applies nor to a *large non-directive insurer*.

Annex C

Amendments to the Statements of Principle and Code of Practice for Approved Persons (APER)

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

1.1A Application

Who?

1.1A.1 R *APER* applies to *FCA-approved persons* and *PRA-approved persons* who fall under (1) or (2):

(1) *approved persons of firms* that are not:

(a) *relevant authorised persons*; or

(b) *Solvency II firms* or small non-directive insurers; or

...

1.1A.1A G (1) *APER* does not apply to *FCA-approved persons* and *PRA-approved persons of relevant authorised persons*, ~~or~~ *Solvency II firms* or small non-directive insurers. *COCON* applies instead.

...

What?

...

1.1A.7 G Table: Examples of what activities *APER* covers

FCA approved	PRA approved	Coverage of APER
...		
		<i>PRA-<u>authorised person</u></i> that is not a <i>relevant authorised person</i> or <i>a Solvency II firm</i> <u>or a small non-directive insurer</u> .
...
(6) ...		
		<i>PRA-<u>authorised person</u></i> that is a <i>relevant authorised person</i> or <i>a Solvency II firm</i> <u>or a small non-directive insurer</u> .

(7) Yes, in relation to firm A	No	No. <i>APER</i> does not apply to <i>approved persons</i> of <i>relevant authorised persons</i> or , <i>Solvency II firms</i> <u>or</u> <i>small non-directive insurers</i> . <i>COCON</i> applies instead.
--------------------------------	----	------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

1.1A.8 G (1) ...

(2) *APER* does not apply if the *firm* is a *relevant authorised person* or a *Solvency II firm*, except for *approved persons* of an *appointed representative* of a *relevant authorised person* ~~or~~ a *Solvency II firm* or a *small non-directive insurer*.

(3) If a *person* is an *approved person* of a *firm* (A) that is not a *relevant authorised person* ~~or~~ a *Solvency II firm* or a *small non-directive insurer* and also of another *firm* (B) that is either a *relevant authorised person* ~~or~~ a *Solvency II firm* or a *small non-directive insurer*, the result is:

...

...

Annex D

Amendments to the Code of Conduct sourcebook (COCON)

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

1.1 Application

...

To whom does it apply?

1.1.2 R (1) *COCON* applies to:

...

(g) an *FCA-approved person* or *PRA-approved person* approved to perform a *controlled function* in a *Solvency II firm* or a *small non-directive insurer* .

...

1.1.5 G ...

(2) The *persons* in *COCON* 1.1.2R(1)(a) and (b) are referred to as *senior conduct rules staff members*. An *approved person* performing a *significant influence function* (including a *PRA controlled function*) in a *Solvency II firm* or in a *small non-directive insurer* is also a *senior conduct rules staff member*.

...

...

1.1.8 G ...

(2) For example, say that an individual (A) is an *approved person* for *firm X* and is employed by *firm Y* in a role that does not involve a *controlled function*. Say that *firm X* is a *Solvency II firm* or a *small non-directive insurer* and that *firm Y* is a *relevant authorised person*.

...

1.1.10 R *COCON* only applies to the conduct of *persons* other than *senior conduct rules staff members* if that conduct:

(1) is performed from an establishment maintained in the *United Kingdom* by:

...

- (b) (for a *Solvency II firm* or a *small non-directive insurer*) the *firm* in relation to whom that *person* carries out *controlled functions*; or

...

1.2 Investments

...

- 1.2.2 G Therefore, for example, an *approved person* performing *controlled functions* in a *Solvency II firm* or a *small non-directive insurer* should note that that term includes rights under a contract of insurance, meaning they should also take into account those parts of *COCON* which provide *guidance* on individual conduct rules that refer to '*investments*'.

...

4.2 Specific guidance on senior manager conduct rules

...

- 4.2.16 G The following is a non-exhaustive list of examples of conduct that would be in breach of *rule SC2*.

...

- (8) For a *senior conduct rules staff member* who is responsible for the compliance function, failing to ensure that:

...

- (e) the method of determining the remuneration complies, where applicable, with the *Remuneration Code* or, for a *Solvency II firm* or a *small non-directive insurer*, other relevant requirements in relation to remuneration.

...

- 4.2.28 G (1) If a *senior conduct rules staff member* comes across a piece of information that is something in relation to which they think the *FCA* or *PRA* could reasonably expect notice, they should determine whether that information falls within the scope of their responsibilities:

...

- (b) (for an *approved person* performing a *significant influence function* in a *Solvency II firm* or a *small non-directive insurer*) including by reference to their scope of responsibilities document.

...

Annex E

Amendments to the Supervision Manual

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

Part 1: Comes into force on [date tbc]

SUP TP 7

...

7.1.1 G The Financial Services (Banking Reform) Act 2013 Transitional and Savings Provisions Order 2015 (as amended):

(1) ...

(5) applies to large non-directive insurers. Large non-directive insurers are treated as, and included within the definition of, Solvency II firms by the FCA for SUP TP 7. Therefore large non-directive insurers must follow the requirements set out in SUP TP 7.

...

7.2.3 R Table: Old PRA controlled functions mapped onto new FCA ones

Part 1:...

Current controlled function	New FCA controlled function
...	
PRA Director of unincorporated association function (CF5)	FCA Director of unincorporated association (CF5) <u>(executive only)</u> ...
<u>PRA Small friendly society function (CF6)</u>	<u>FCA Small friendly society function (CF6)</u> <u>(See Note 1) (executive only)</u> <u>Chair of the nomination committee function (CF2a) (see Note 2)</u> <u>Chair of the with-profits committee function (CF2b) (see Note 2)</u>

Note 1: FCA controlled functions CF1 ~~and~~ CF5 and (for large non-directive insurers) CF 6, above,

...

7.2.5 R Large non-directive firms must read references to the ‘Solvency II firms’ part of the *PRA* Rulebook as if they were references to the corresponding part of the *PRA* Rulebook applicable to *large non-directive insurers*.

...

7.3.3 D ...
 (6) Large non-directive insurers must follow the directions for notification set out in *SUP* TP 8.3.3D instead of *SUP* 7.3.3D, as if *SUP* TP 8.3.3D applied to *large non-directive insurers*.

...

7.6.1 ...

...

rule making date ...the last date on which the rules are made. Under the Order the rule making date for large non-directive insurers is the same as that for *small non-directive insurers*.

7.7.1 D Form K: Grandfathering notification.

Solvency II firms:

Large non-directive insurers:

Insert the following form which is not marked as underlined

[See Form K for large non-directive insurers at Appendix 2]

After *SUP* TP 7 insert the following new section. The text is all new and is not underlined.

TP 8 Financial Services (Banking Reform) Act 2013: Approved persons in small non-directive insurers

Purpose of *SUP* TP 8

8.1.1 G *SUP* TP 8 has transitional and grandfathering provisions relating to the changes to the *approved persons* regime made by Part Four of the Financial Services (Banking Reform) Act 2013. The Financial Services (Banking Reform) Act 2013 Transitional and Savings Provisions Order 2015 (as amended):

- (1) requires *small non-directive insurers* before 8 February 2016 to give a notice to the *appropriate regulator* in respect of each *person* for whom that regulator has granted a pre-implementation approval in relation to the *firm*. The notice must specify the post-implementation functions that the *person* will perform on and after 7 March 2016, and each of these notified functions must be an equivalent function to a pre-implementation function which the person has approval to perform;
- (2) allows the *FCA* to specify classes of persons in respect of whom a notice is not required and in *SUP TP 8.2.1R*, for *small non-directive insurers*, the *FCA* specifies that class of persons;
- (3) allows the *FCA* to make rules specifying the post-implementation *controlled functions* which are to be treated as equivalent to a pre-implementation *controlled function* for the purposes of that Order. In *SUP TP 8.2.2R*, for *small non-directive insurers*, the *FCA* specifies the post-implementation *FCA* functions which are equivalent to *PRA* functions pre-implementation. The *PRA* has separately, in *PRA Rulebook: Non-Solvency II firms: Non-Solvency II firms - Senior Insurance Managers Regime: Transitional Provisions, 6*, specified equivalent post-implementation *PRA* functions;
- (4) provides that the pre-implementation approval has effect after 7 March 2016, without the need for re-application, if the notice in (1) is given before 7 March 2016 (whether or not that notice was given before 8 February 2016) and certain conditions in article 3 of the Order are met.
- (5) applies to *large non-directive insurers*. *Large non-directive insurers* are included in the definition of *Solvency II firms* for the purposes of grandfathering. Therefore, *SUP TP 7* applies to *large non-directive insurers* instead of *SUP TP 8*.

8.1.2 R *SUP TP 8* applies to:

- (1) *small non-directive insurers*; and
- (2) *approved persons* of firms in (1).

8.1.3 G There is a glossary of terms in *SUP TP 8.6.1*. Those terms are not defined in the *Glossary*.

Grandfathering of approved persons: requirement to give notice and equivalence of old and new functions

8.2.1 R A *firm* is not required to give notice to the *FCA* for the purposes of article 2(1) of the Financial Services (Banking Reform) Act 2013 Transitional and Savings Provisions Order 2015 in relation to any *approved person* for whom

the *FCA* granted a pre-implementation approval in relation to that *firm*.

[**Note:** See article 2(2) of the Financial Services (Banking Reform) Act 2013 Transitional and Savings Provisions Order 2015]

- 8.2.2 R Each pre-implementation controlled function in the first column of the table in *SUP* TP 8.2.3R is specified as an equivalent function to the *FCA controlled functions* listed in column two of the same row of that table.

[**Note:** See article 17(1)(a) of the Financial Services (Banking Reform) Act 2013 Transitional and Savings Provisions Order 2015]

- 8.2.3 R Table: Old PRA controlled functions mapped onto new FCA ones

Current controlled function	New FCA controlled function
PRA Director function (CF1)	FCA Director function (CF1)
PRA Chief Executive Function (CF3)	FCA Chief Executive Function (CF3)
PRA Director of unincorporated association function (CF5)	FCA Director of unincorporated association function (CF5) (executive only)
PRA Small friendly society function (CF6)	FCA Small friendly society function (CF6) (executive only)

FCA controlled functions in column 2 above apply only where the person is not otherwise grandfathered to perform any post-implementation PRA function, as set out in the Table of Equivalent Functions for Grandfathering in the PRA Rulebook: Non-Solvency II firms: Non-Solvency II firms - Senior Insurance Managers Regime Transitional Provisions, rule 6.

- 8.2.4 G In *SUP* TP 8.2.3R, where a *person* is grandfathered to perform a post-implementation *PRA controlled function*, as set out in the Table of Equivalent Functions for Grandfathering in PRA Rulebook: Non-Solvency II firms: Non-Solvency II firms - Senior Insurance Managers Regime Transitional Provisions, rule 6, then, if they would also be performing an *FCA* function referred to in column 2 of the Table in TP 8.2.3R, the *FCA* function is disapplied and instead absorbed into that *PRA* function. This absorption happens by virtue of its inclusion in *PRA* Rulebook: Non-Solvency II firms: Non-Solvency II firms - Senior Insurance Managers Regime - Transitional Provisions 6, and the *firm* is required to identify the absorbed function on the person's scope of responsibilities document described in *SYSC* 2.2.6R when that record is produced.
- 8.2.5 G Grandfathering is not relevant to the *FCA* functions described in *SUP* TP 8.2.1R as they are not changing, and therefore notification is not required under article 2(1) of the Financial Services (Banking Reform) Act 2013 Transitional and Savings Provisions Order 2015.

Grandfathering of approved persons: forms

- 8.3.1 D This section (*SUP* TP 8.3) applies to a notification by a *firm* under the articles of the Financial Services (Banking Reform) Act 2013 Transitional and Savings Provisions Order 2015 listed in the table in *SUP* TP 8.3.2D.
- 8.3.2 D Table: Grandfathering notifications

Purpose of notification	Article of Order
(1) Notification of pre-implementation approval	Article 2(1), 5
(2) Amendments to grandfathering notification in (1)	Article 6
(3) Notification of applications for approval	Article 11
(4) Amendment to grandfathering notification in (1) to add a new <i>candidate</i>	Article 14
(5) Any other amendment to grandfathering notification in (1)	Article 14

- 8.3.3 D (1) A *firm* must make any notification in row (1) to (5) of the table in *SUP* TP 8.3.2D by email to PRA-ApprovedPersons@bankofengland.co.uk.
- (2) A *firm* must use the version of the grandfathering notification form found in *SUP* TP 8.7.1D and submit it by email to PRA-ApprovedPersons@bankofengland.co.uk.
- 8.3.4 G If a *firm* notifies an application for approval and that application is refused before the commencement date, the *firm* should update the notification under row (5) of the table in *SUP* TP 8.3.2D.
- 8.3.5 G If a *firm* gives a grandfathering notification for an *approved person* and that *approved person* leaves the *firm* or gives up performing some of their *controlled functions*, the *firm* should notify the *appropriate regulator* using Form C in addition to *SUP* TP 8.

Applications of approved persons to take effect from the 7 March 2016

- 8.4.1 D (1) A *firm* may apply for the *FCA*'s approval under section 59 of the *Act* (Approval for particular arrangements) for the performance of a *controlled function* which comes into force on 7 March 2016.
- (2) Any application must be made between the 1 January 2016 and the

day before 7 March 2016.

- (3) Any such application is made on the basis that it is treated as being made on the 7 March 2016.
- (4) The application must be made using the version of Form A or Form E applicable from 7 March 2016 and in accordance with the other requirements to be in effect on that date.

8.4.2 G The Financial Services (Banking Reform) Act 2013 Transitional and Savings Provisions Order 2015 will not apply to an application under *SUP* TP 8.4.1D.

8.4.3 G A *firm* does not have to make an application under *SUP* TP 8.4.1D. It can make an application between the rule-making date and the 7 March 2016 under the *rules* and directions in force at the time of the application. The Financial Services (Banking Reform) Act 2013 Transitional and Savings Provisions Order 2015 will apply to such applications.

Application of ongoing requirements to documents submitted as part of grandfathering

- 8.5 R
- (1) The requirements of *SUP* 10A apply to approvals that are continued in force by the Financial Services (Banking Reform) Act 2013 Transitional and Savings Provisions Order 2015, as they do to applications made after the commencement date.
 - (2) The requirements of *SUP* 10A apply to an application for approval that is grandfathered under the Financial Services (Banking Reform) Act 2013 Transitional and Savings Provisions Order 2015 and has not been finally determined before the 7 March 2016, as they do to applications made after the commencement date.
 - (3) This paragraph is subject to the other provisions of *SUP* TP 8.

8.6.1 Glossary of terms used in *SUP* TP 8

pre-implementation controlled functions	an <i>FCA controlled function</i> or a <i>PRA controlled function</i> in force immediately before the 7 March 2016
rule-making date	in accordance with The Financial Services (Banking Reform) Act 2013 Transitional and Savings Provisions Order 2015, the date the <i>FCA</i> and the <i>PRA</i> make rules under article 17 of the Order or, if made on different days, the last day on which the rules are made.
[Note: References to <i>rules</i> in <i>SYSC</i> and <i>SUP</i> 10A are to those <i>rules</i> as they will be in force on the 7 March 2016.]	

8.7.1 D Form K: Grandfathering notification

Insert the following form which is not marked as underlined.

[See small non-directive insurer Form K in Appendix 2]

Part 2: comes into force on 7 March 2016**10A FCA Approved Persons**

...

10A.4 Specification of functions

...

10A.4.4 R FCA controlled functions

...

Part 2 (FCA controlled functions for PRA-authorised persons (Note 1))		
Type	CF	Description of FCA controlled function
<i>FCA governing functions*</i>	1	<i>Director function</i> (See Note 2)
	2a	<i>Chair of the nomination committee function</i> (See Note <u>23</u>)
	2b	<i>Chair of the with-profits committee function</i> (See Note <u>23</u>)
	<u>3</u>	<i>Chief executive function</i> (see Note <u>3A</u>)
	5	<i>Director of unincorporated association function</i> (see Note <u>23B</u>)
	<u>6</u>	<i>Small friendly society function</i> (see Note <u>3C</u>)

<i>FCA required functions*</i>	8	<i>Apportionment and oversight function (Note 3)</i>
...		
<i>*FCA significant-influence functions</i>		
...		
Note 2: <i>Solvency II firms (including large non-directive insurers) and small non-directive insurers only.</i>		
Note 3: not applicable to a Solvency II firm <i>Solvency II firms (including large non-directive insurers) only.</i>		
Note 3A: <i>small non-directive insurers only.</i>		
Note 3B: <i>Solvency II firms (including large non-directive insurers) and small non-directive insurers.</i>		
Note 3C: <i>small non-directive insurers and large non-directive insurers only.</i>		

...

10A.6 FCA governing functions

...

- 10A.6.1 G (1) ... However, if the *firm* is a *PRA-authorised person*, the *governing functions* ~~do not~~ apply in the manner set out in (2) and (3). ~~Instead those persons will be performing the PRA governing functions and will be required to be PRA-approved persons.~~
- (2) ~~The exception to this is a Solvency II firm.~~ For a *Solvency II firm*, the *FCA governing functions* CF1, CF2a, CF2b, ~~and~~ CF5 and (for *large non-directive insurers only*) CF6 may apply and for a *small non-directive insurer*, the *FCA governing functions* CF1, CF3, CF5 or CF6 may apply. These functions will apply if the *person* carrying out the function is not approved to carry out a *PRA controlled function* or the other conditions in SUP 10A.11.12R (minimising overlap with the PRA approved persons regime) are not satisfied.
- (3) For a *Solvency II firm* and a small non-directive insurer, if the *person* is approved to carry out a *PRA controlled function* and the conditions in SUP 10A.11.12R are satisfied, the relevant *FCA function* is instead absorbed into the *PRA controlled function* that the *person* is approved for (by virtue of its inclusion in *PRA Rulebook: Solvency II firms: Insurance - Senior Insurance Management Functions Managers Regime, 2.5; Non-Solvency II firms: Non-Solvency II*

firms - Senior Insurance Management Functions, 2.6 and Non-Solvency II firms: Large Non-Solvency II firms – Senior Insurance Management Functions, 2.5).

...

- 10A.6.11 G (1) The *director function* ~~does not apply~~ applies in relation to a *PRA-
authorised person*, as set out below. ~~PRA approval is required
instead.~~
- (2) ~~The exception to this is a Solvency II firm.~~ For a *Solvency II firm* or
a small non-directive insurer, the *FCA director function* may apply if the person carrying out the function is not approved to carry out a *PRA controlled function* or the other conditions in SUP 10A.11.12R (minimising overlap with the PRA approved persons regime) are not satisfied.

...

- 10A.6.29 R ... In a *Solvency II firm* and a small non-directive insurer the function does not include acting in the capacity of a non-executive director.

- 10A.6.30 G The *director of unincorporated association function* applies ~~does not apply~~ in relation to a *PRA-
authorised person*, ~~PRA approval is required instead.~~ The exception to this is a Solvency II firm, see as set out in SUP
10A.6.1G(3) above.

- 10A.6.31 R (1) If a *firm* is a *non-directive friendly society*, the *small friendly society
function* is the function of directing its affairs, either alone or jointly with others. In a large non-directive insurer and a small non-directive
insurer the function does not include acting in the capacity of a non-
executive director.

...

- 10A.6.34 G In practice, the *FCA* expects that most *non-directive friendly societies* will be *PRA-
authorised persons*. Where that is the case, the *small friendly
society function* will ~~not~~ apply as set out in SUP 10A.6.1G above. ~~PRA
approval is required instead.~~

10A.7 FCA required functions

Apportionment and oversight function (CF 8)

- 10A.7.1 R ...

- (2) The *apportionment and oversight function* does not apply in relation to a *Solvency II firm* or a small non-directive insurer.

- 10A.7.2 G In requiring someone to apportion responsibility, neither a *common platform*

firm nor a *Solvency II firm* or *small non-directive insurer* should apply for that *person* or *persons* to be *FCA*-approved to perform the *apportionment and oversight function* (see *SUP* 10A.7.1R, *SYSC* 2.1.3R and *SYSC* 1 Annex 1).

...

10A.9 Significant management functions

...

10A.9.1 R *SUP* 10A.9 applies only to a *firm* which:

- (1) under *SYSC* 2.1.1R, chapters 2, 3 and 5 of the *PRA* Rulebook: *Solvency II Firms: Insurance – Allocation of Responsibilities; PRA Rulebook: Non-Solvency II firms: Large Non-Solvency II firms – Allocation of Responsibilities; PRA Rulebook: Non-Solvency II firms: Non-Solvency II firms - Allocation of Responsibilities* or *SYSC* 4.1.1R, apportions a significant responsibility, within the description of the *significant management function*, to a *senior manager* of a significant business unit; or

...

10A.11 Minimising overlap with the *PRA* approved persons regime

...

- 10A.11.8 G
- (1) For a *firm* (other than a *Solvency II firm* or a *small non-directive insurer*), *SUP* 10A.11.11R disapplies the *apportionment and oversight function* for a *person* who is the subject of an application for approval to perform a *PRA governing function*, subject to certain conditions set out in *SUP* 10A.11.11R. ...
 - (2) For a *Solvency II firm* and a *small non-directive insurer* only, *SUP* 10A.11.12R disapplies the *FCA governing functions* for a *person* who is approved to perform a *PRA controlled function*, subject to the conditions in *SUP* 10A.11.12R.
 - (3) The *FCA* functions disapplied in accordance with the *governing functions overlap rule* for *Solvency II firms* and *small non-directive insurers* (*SUP* 10A.11.12R) are absorbed into the relevant *PRA controlled function* by virtue of their inclusion in *PRA* Rulebook: *Insurance - Solvency II firms: Senior Insurance Managers Management Functions, 2.5; Non-Solvency II firms: Non-Solvency II firms - Senior Insurance Management Functions, 2.6, and Non-Solvency II firms: Large Non-Solvency II firms – Senior Insurance*

Management Functions, 2.5).

...

- 10A.11.10 G Table: Examples of how the need for dual FCA and PRA approval in relation to PRA-authorised persons is reduced

Example	Whether FCA approval required	Whether PRA approval required	Comments
...			
(6) ...			
Note: This table does not apply to <i>Solvency II firms</i> or <i>small non-directive insurers</i>			

The main rules

- 10A.11.11 R A person (referred to as A in this *rule*) is not performing the *apportionment and oversight function* in relation to a PRA-*authorised person* that is not a *Solvency II firm* or a *small non-directive insurer* (referred to as B in this *rule*), at a particular time, if:

...

- 10A.11.12 R A person (referred to as “A” in this *rule*) is not performing an *FCA governing function* (referred to as the ‘particular’ *FCA governing function* in this *rule*) in relation to a *Solvency II firm* or a *small non-directive insurer* (referred to as “B” in this *rule*), at a particular time, if:

...

...

10A Annex 4D Form A: Application to perform controlled functions under the approved person regime

This annex consists of one or more forms. Note that there are separate forms for Solvency II firms, small non-directive insurers and other firms. It also includes the scope of responsibilities form which must be included as an attachment to Form A in certain cases. ...

Long Form A for Solvency II firms:

Short Form A for Solvency II firms:

Long Form A for large non-directive insurers:

Insert the following new form which is not underlined:

[See Long Form A for large non-directive insurers in Appendix 2]

Short Form A for large non-directive insurers

Insert the following new form which is not underlined:

[See Short Form A for large non-directive insurers in Appendix 2]

Long Form A for small non-directive insurers:

Insert the following new form which is not underlined:

[See Long Form A for small non-directive insurers in Appendix 2]

Short Form A for small non-directive insurers:

Insert the following new form which is not underlined:

[See Short Form A for small non-directive insurers in Appendix 2]

Scope of responsibilities form for Solvency II firms:

Scope of responsibilities form for large non-directive insurers:

Insert the following new form which is not underlined:

[See Scope of responsibilities form for large non-directive insurers in Appendix 2]

Scope of responsibilities form for small non-directive insurers:

Insert the following new form which is not underlined:

[See Scope of responsibilities form for small non-directive insurers in Appendix 2]

Long Form A for firms which are not Solvency II firms (including large non-directive insurers) or small non-directive insurers (and are not Relevant Authorised persons):

Short Form A for firms which are not Solvency II firms (including large non-directive insurers) or small non-directive insurers (and are not Relevant Authorised persons):

...

10A Form E: Internal transfer of an approved person

**Annex 8
D**

This annex consists of one or more forms. Note that there are separate forms for Solvency II firms and other firms. It also includes the scope of responsibilities form which must be included as an attachment to Form E in certain cases. ...

Form E for Solvency II firms:

Form E for small non-directive insurers:

Insert the following new form which is not underlined:

[See Form E for small non-directive insurers in Appendix 2]

Form E for large non-directive insurers:

Insert the following new form which is not underlined:

[See Form E for large non-directive insurers in Appendix 2]

Scope of responsibilities form can be found at *SUP* 10A Annex 4D

Form E for firms which are not Solvency II firms (including large non-directive insurers) or small non-directive insurers (and are not Relevant Authorised persons):

...

Appendix 2

Forms



BANK OF ENGLAND
PRUDENTIAL REGULATION
AUTHORITY



Application number
(for FCA/PRA use only)

Grandfathering Notification Form (Form K) Small non-directive insurers only¹

FCA Handbook Reference: SUP TP8

PRA Rulebook Reference: Non-Solvency II Firms – Senior Insurance Managers Regime – Transitional Provisions

Please note: this form does NOT need to be completed for approved persons who are currently only performing an FCA *controlled function* and it is intended will continue only to hold the same FCA *controlled function* following grandfathering (see SUP TP 8.2.1R). Also, information does NOT need to be provided in relation to CF8.

Name of firm

Firm Reference Number (FRN)

Financial Conduct Authority
25 The North Colonnade
Canary Wharf
London E14 5HS
United Kingdom

Telephone +44 (0) 300 500 0597

E-mail iva@fca.org.uk

Website www.fca.org.uk

Registered as a Limited Company in England and Wales
No 1920623. Registered Office as above

Prudential Regulation Authority
20 Moorgate
London
EC2R 6DA
United Kingdom

Telephone +44 (0) 203 461 7000

Email PRA-ApprovedPersons@bankofengland.co.uk

Website www.bankofengland.co.uk/PRA

Registered as a Limited Company in England and Wales No
07854923. Registered Office: 8 Lothbury Road, London, EC2R
7HH

¹ See definition of *small non-directive insurer* in the FCA Handbook Glossary and the PRA Rulebook Glossary.

Contact for this notification

1.01 Title	
1.02 First Name	
1.03 Surname	
1.04 Job Title	
1.05 Business address	
1.06 Post code	
1.07 Phone number (including STD code)	
1.08 Email address	
1.09 Mobile No	
1.10 Fax No.	

2.01 Provide details of each *approved* person who will, from 7 March 2016, perform any of the *controlled functions* set out in column 2 of the table in FCA rule SUP TP 8.2.3R or in column 2 in the Table of Equivalent Functions for Grandfathering in PRA Rulebook: Non-Solvency II Firms – Senior Insurance Managers Regime – Transitional Provisions.² Also provide details of which of those *controlled functions* are to be carried out by each such *approved person*, or whether the individual will cease to be an *approved person*. **If this is an update to a previous grandfathering notification please complete section 3.**

Individuals currently performing CF1

Identification details of individual		Intended status of individual from 7 March 2016 (please tick as appropriate)		
IRN	Name of individual	Becoming PRA SIMF 25	Remaining as CF1 (FCA only regulated)	Will not be performing SIMF 25 or CF1 after commencement

Individuals currently performing CF2

Identification details of individual		Intended status of individual from 7 March 2016 (please tick as appropriate)	
IRN	Name of individual	Becoming PRA SIMF 25	Will not be performing SIMF 25 after commencement

² Details are not required for approved persons who are currently only performing an FCA *controlled function* and it is intended will continue only to hold the same FCA *controlled function* following grandfathering (see SUP TP 8.2.1R). Also, information does NOT need to be provided in relation to individuals performing CF8.

Individuals currently performing CF3

Identification details of individual		Intended status of individual from 7 March 2016 (please tick as appropriate)		
IRN	Name of individual	Becoming PRA SIMF 25	Remaining as CF3 (FCA only regulated)	Will not be performing SIMF 25 or CF3 after commencement

Individuals currently performing CF5

Identification details of individual		Intended status of individual from 7 March 2016 (please tick as appropriate)		
IRN	Name of individual	Becoming PRA SIMF 25	Remaining as CF5 (FCA only regulated)	Will not be performing SIMF 25 or CF5 after commencement

Individuals currently performing CF6

Identification details of individual		Intended status of individual from 7 March 2016 (please tick as appropriate)		
IRN	Name of individual	Becoming PRA SIMF 25	Remaining as CF6 (FCA only regulated)	Will not be performing SIMF 25 or CF6 after commencement

2.02 If you have submitted any applications for approval of individuals to perform one or more *controlled functions* that are currently subject to determination by the FCA and/or PRA, and any of these individuals who will from 7 March 2016 perform any of the *controlled functions* set out in column 2 of the tables in FCA rule SUP TP 8.2.3R or in column 2 in the Table of Equivalent Functions for Grandfathering in PRA Rulebook: Non-Solvency II Firms – Senior Insurance Managers Regime – Transitional Provisions³, provide details of which of those *controlled functions* are to be carried out by each such *approved person*. Please also notify us if the individual will cease to be an *approved person*. **For the purpose of this section, you should assume that the FCA and/or PRA will approve the application that is subject to determination before the commencement date, and that the individual will therefore be eligible for grandfathering. If this is an update to a previous grandfathering notification please complete section 3.**

Candidates for CF1

Identification details of individual		Intended status of individual from 7 March 2016 (please tick as appropriate)		
IRN or application ref	Name of individual	Becoming PRA SIMF 25	Remaining as CF1 (FCA only regulated)	Will not be performing SIMF 25 or CF1 after commencement

Candidates for CF2

Identification details of individual		Intended status of individual from 7 March 2016 (please tick as appropriate)	
IRN or application ref	Name of individual	Becoming PRA SIMF 25	Will not be performing SIMF 25 after commencement

³ Details are not required in relation to candidates to perform an FCA *controlled function* where it is intended that they will only hold the same FCA *controlled function* following grandfathering. Also, information does NOT need to be provided in relation to candidates for CF8.

Candidates for CF3

Identification details of individual		Intended status of individual from 7 March 2016 (please tick as appropriate)		
IRN or application ref	Name of individual	Becoming PRA SIMF 25	Remaining as CF3 (FCA only regulated)	Will not be performing SIMF 25 or CF3 after commencement

Candidates for CF5

Identification details of individual		Intended status of individual from 7 March 2016 (please tick as appropriate)		
IRN or application ref	Name of individual	Becoming PRA SIMF 25	Remaining as CF5 (FCA only regulated)	Will not be performing SIMF 25 or CF5 after commencement

Candidates for CF6

Identification details of individual		Intended status of individual from 7 March 2016 (please tick as appropriate)		
IRN or application ref	Name of individual	Becoming PRA SIMF 25	Remaining as CF6 (FCA only regulated)	Will not be performing SIMF 25 or CF6 after commencement

3.01 If you need to update a previous grandfathering notification, please provide details of updates to the firm's Grandfathering Notification Form below.

IRN	Name of individual
<i>Controlled Function</i>	<i>Proposed Controlled Function(s)</i>
Details of change and reasons for such change.	

IRN	Name of individual
<i>Controlled Function</i>	<i>Proposed Controlled Function(s)</i>
Details of change and reasons for such change.	

Declaration

In this declaration, the *firm* making the notification in relation to each individual is referred to as the “**applicant**”. The applicant must ensure that it has the authority of each individual in relation to whom it is making a notification for grandfathering to a *controlled function* to cause the information contained in this form relating to such individual to be submitted, and that it has made each such individual aware of his/her prospective regulatory responsibilities as set out in the *FCA’s Code of Conduct (COCON)* and/or the *PRA Rulebook: Non-Solvency II Firms: Insurance – Conduct Standards* . (as applicable).

It is a criminal offence, knowingly or recklessly, to give the *FCA* and/or *PRA* information that is materially false, misleading or deceptive (see sections 398 and 400 Financial Services and Markets Act 2000).

The applicant must notify the *FCA* and/or *PRA* immediately if there is a change to the information in this form and/or if inaccurate information has been provided (insofar as the *FCA* and/or *PRA* is reasonably likely to consider the information material).

For the purpose of complying with the Data Protection Act 1998, the personal information provided in this form will be used by the *FCA* and *PRA* to discharge their statutory functions under the Financial Services and Markets Act 2000 and other relevant legislation and will not be disclosed for any other purpose without the permission of the applicant. In addition to other regulatory responsibilities, *firms* and *approved persons* have a responsibility to disclose to the *FCA* and/or *PRA* matters of which it would reasonably expect to be notified. Failure to notify the *FCA* and/or *PRA* of such information may lead to the *FCA* and/or *PRA* taking disciplinary or other action against the *firm* and/or individuals.

The person signing on behalf of the applicant confirms that:

- he or she has read this declaration in full;
- he or she has confirmed that the information supplied is accurate and complete to the best of the his/her knowledge.

Name of the applicant

Name of *person* signing on behalf of the applicant

Position

Signature

Date†



BANK OF ENGLAND
PRUDENTIAL REGULATION
AUTHORITY



Long Form A – small non-directive insurers only⁴

Application to perform controlled functions

FCA Handbook Reference: SUP 10A Annex 4D

PRA Rulebook Reference: Non-Solvency II Firms - Senior Insurance Managers Regime - Application and Notifications

⁴ See definition of *small non-directive insurer* in the FCA Handbook Glossary and the PRA Rulebook Glossary.

[†] The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7 or in the Non-Solvency II Firms - Senior Insurance Managers Regime - Applications and Notifications Part of the *PRA Rulebook*

3.02

For applications from a single *firm*, please tick the boxes that correspond to the *controlled functions* to be performed. If the *controlled functions* are to be performed for more than one *firm*, please go to question **3.04**

Function	Description of a controlled function	Tick (if applicable)	Effective Date
SIMF 25	Small Insurer Senior Manager		
SIMF 20	Actuarial Function Holder		
SIMF 21	With-profits Actuary		
CF 1	Director		
CF 3	Chief Executive Officer		
CF 5	Director of unincorporated association		
CF 6	Small friendly society function		
CF 10	Compliance Oversight function		
CF 10a	CASS Operational Oversight function		
CF 11	Money Laundering Reporting function		
CF 29	Significant Management function		
CF 30	Customer Function		

† The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7 or in the Non-Solvency II Firms - Senior Insurance Managers Regime - Applications and Notifications Part of the PRA Rulebook

5.05.3

Has the *firm* undertaken a criminal records check in accordance with the requirements of the *PRA*?

Please note that a *firm* is required to obtain the fullest information that it is lawfully able to obtain about the *candidate* under Part V of the Police Act 1997 (Certificates of Criminal records, etc) and related subordinated legislation of the *UK* or any part of the

UK before making the application. (*PRA* Rulebook: Non-Solvency II Firms – Senior Insurance Managers Regime - Applications and Notifications)

If yes, please enter date the check was undertaken

Date (dd/mm/yy):

Note: if date is more than 3 months prior to current date or 3 months prior to date of application submission or the check has not been undertaken, please provide details why in section 6.

YES NO



I have supplied further information related to this page in Section 6[†]

YES NO

[†] The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7 or in the Non-Solvency II Firms - Senior Insurance Managers Regime - Applications and Notifications Part of the *PRA* Rulebook
 Long Form A – small non-directive insurers only: Application to perform controlled functions

6.01

- If there is any other information the *candidate* or the *firm* considers to be relevant to the application, it must be included here.
- Please provide full details of
 - why the *candidate* is competent and capable to carry out the controlled function(s) applied for.
 - why the appointment complements the firm's business strategy, activity and market in which it operates.
 - how the appointment was agreed including details of any discussions at governing body level (where applicable).
- Provide a copy of the *candidate*'s:-
 - Scope of Responsibilities with this form. This is not required for *candidates* for *controlled function* CF30 only.
 - Roles description
 - Curriculum Vitae (C.V.)
 - Organisational chart
- Please also include here any additional information indicated in previous sections of the Form.
- **Please include a list of all directorships currently or previously held by the *candidate* in the past 10 years (where *director* has the meaning given in the *Glossary*.)**
- If there is insufficient space, please continue on a separate sheet of paper and clearly identify the section and question to which the additional information relates.
- **Full details must be provided here if there were any issues that could affect the Fitness and Propriety of the individual that arose when leaving an employer listed in section 4 or if any question has been answered 'yes' in section 5.**

Question	Information

† The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7 or in the Non-Solvency II Firms - Senior Insurance Managers Regime - Applications and Notifications Part of the *PRA* Rulebook
 Long Form A – small non-directive insurers only: Application to perform controlled functions

Declaration of *Candidate*

It is a criminal offence, knowingly or recklessly, to give the *FCA* and/or *PRA* information that is materially false, misleading or deceptive (see sections 398 and 400 Financial Services and Markets Act 2000). Even if you believe or know that information has been provided to the *FCA* and/or *PRA* before (whether as part of another application or otherwise) or is in the public domain, you must nonetheless disclose it clearly and fully in this form and as part of this application – you should not assume that the *FCA* and/or *PRA* will itself identify such information during the assessment of this application. If there is any doubt about the relevance of information, it should be included.

There will be a delay in processing the application if information is inaccurate or incomplete, and it may call into question the suitability of the *candidate* and/or lead to the *FCA* and/or *PRA* exercising its powers (including but not limited to taking disciplinary/ Enforcement action). You must notify the *FCA* and/or *PRA* immediately if there is a change to the information in this form and/or if inaccurate information has been provided (insofar as the *FCA* and/or *PRA* are reasonably likely to consider the information material).

The *candidate* confirms that the information provided in this application is accurate and complete to the best of his/her knowledge and that he or she has read the notes to this form. The *candidate* will notify the *FCA* and/or *PRA* immediately if there is a material change to the information provided.

The *candidate* confirms that the attached Scope of Responsibilities⁵ accurately reflects the aspects of the affairs of the firm which it is intended that the *candidate* will be responsible for managing. The *candidate* confirms that they have accepted all the responsibilities set out in this Scope of Responsibilities.

The candidate authorises the *FCA* and/or *PRA* to make such enquiries and seek such further information as it thinks appropriate to identify and verify information that it considers relevant to the assessment of this application.

The *candidate* acknowledges and agrees that these checks may include credit reference checks or information pertaining to fitness and propriety, and is aware that the results of these enquiries may be disclosed to the employer/Applicant.

The *candidate* agrees that he or she may be required to apply for a search to be made as to whether any criminal records are held in relation to him or her and to obtain a certificate (where such certificate can be obtained) and to disclose the result of that search to the firm submitting this application.

The *candidate* agrees that the *FCA* and/or *PRA* may use the address specified for the *candidate* in this Form as the proper address for service in the United Kingdom as defined in Financial Services and Markets Act 2000 (Service of Notice) Regulations (SI 2001/1420) to serve any notices on that signatory.

For the purposes of complying with the Data Protection Act 1998, the personal information provided in this Form will be used by the *FCA* and *PRA* to discharge their statutory functions under the Financial Services and Markets Act 2000 and other relevant legislation, and will not be disclosed for any other purpose without the permission of the applicant.

The *candidate* confirms that he or she understands the regulatory responsibilities of the proposed role as set out in the rules of conduct in the *FCA*'s *COCON* and/or *PRA Rulebook: Non Solvency II Firms: Insurance – Conduct Standards* (as applicable).

The *candidate* is aware that, while advice may be sought from a third party (e.g. legal advice), responsibility for the accuracy of information, as well as the disclosure of relevant information, on the Form is ultimately the responsibility of those who sign the application.

In addition to other regulatory responsibilities, firms, and approved persons have a responsibility to disclose to the *FCA* and/or *PRA* matters of which it would reasonably expect to be notified. Failure to notify the *FCA* and/or *PRA* of such information may lead to the *FCA* and/or *PRA* taking disciplinary or other action against the firm and/or individuals.

Tick here to confirm you have read and understood this declaration:

7.01 *Candidates* full name †

7.02 Signature†

Date†

⁵ This is not applicable for *candidates* for *controlled function* CF30 only.

† The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7 or in the Non-Solvency II Firms - Senior Insurance Managers Regime - Applications and Notifications Part of the *PRA Rulebook*

Declaration of Firm

It is a criminal offence, knowingly or recklessly, to give the *FCA* and/or *PRA* information that is materially false, misleading or deceptive (see sections 398 and 400 Financial Services and Markets Act). Even if you believe or know that information has been provided to the *FCA* and/or *PRA* before (whether as part of another application or otherwise) or is in the public domain, you must nonetheless disclose it clearly and fully in this form and as part of this application – you should not assume that the *FCA* and/or *PRA* will itself identify such information during the assessment of this application. If there is any doubt about the relevance of information, it should be included.

There will be a delay in processing the application if information is inaccurate or incomplete, and it may lead to the *FCA* and/or *PRA* exercising its powers (including but not limited to taking disciplinary/ Enforcement action). You must notify the *FCA* and/or *PRA* immediately if there is a change to the information in this form and/or if inaccurate information has been provided (insofar as the *FCA* and/or *PRA* is reasonably likely to consider the information material).

In addition to other regulatory responsibilities, firms, and approved persons have a responsibility to disclose to the *FCA* and/or *PRA*, matters of which it would reasonably expect to be notified. Failure to notify the *FCA* and/or *PRA* of such information may lead to the *FCA* and/or *PRA* taking disciplinary or other action against the firm and/or individuals.

The applicant confirms that the information provided in this application is accurate and complete to the best of its knowledge and that it has read the notes to this form. The applicant will notify the *FCA* and/or *PRA* immediately if there is a material change to the information provided.

The applicant authorises the *FCA* and/or *PRA* to make such enquiries and seek such further information as it thinks appropriate to identify and verify information that it considers relevant to the assessment of this application.

Where applicable, the applicant confirms that it has obtained the fullest information that it is lawfully able to obtain about the Individual under Part V of the Police Act 1997 and any related subordinated legislation of the UK or any part of the UK, and has given due consideration to that information in determining that Individual to be fit and proper.

In making this application the *firm* believes on the basis of due and diligent enquiry and, where applicable, by reference to the criteria in FIT that the *candidate* is a fit and proper person to perform the controlled function(s) listed in section 3. The *firm* also believes, on the basis of due and diligent enquiry, that the *candidate* is competent to fulfil the duties required in the performance of such function(s).

The Applicant confirms that it has complied with its obligations under Equality and Diversity legislation when selecting the Individual to perform the function(s) applied for.

The Applicant confirms that it has made the *candidate* aware of their regulatory responsibilities as set out in the rules of conduct in the *FCA's COCON* and/or *PRA Rulebook: Non-Solvency II Firms: Insurance – Conduct Standards* (as applicable).

The Applicant confirms that the Scope of Responsibilities⁶ submitted with this form accurately reflects the aspects of the affairs of the *Firm* which it is intended that the *candidate* will be responsible for managing.

The Applicant is aware that, while advice may be sought from a third party (e.g. legal advice), responsibility for the accuracy of information, as well as the disclosure of relevant information, on the Form is ultimately the responsibility of those who sign the application.

In signing this form on behalf of the firm:

I confirm that the information in this Form is accurate and complete to the best of my knowledge and belief and that I have read the notes to this Form.

I confirm that I have authority to make this application and provide the declarations given by the *firm*, and sign this form, on behalf of the *firm* identified in section 2.01 and/or each *firm* identified in section 3.04. I also confirm that a copy of this Form, as submitted to the *FCA* and/or *PRA*, will be sent to each of those *firms* at the same time as submitting the Form to the *FCA* and/or *PRA*.

7.03 Name of the *firm* submitting the application[†]

7.04 Name of *person* signing on behalf of the *firm*[†]

7.05 Job title[†]

7.06 Signature^{*}

Date[†]

⁶ This is not applicable for *candidates* for *controlled function* CF30 only.

^{*} The above question(s) appears on a paper form submission only. That question does not appear on an electronic form submission.

[†] The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7 or in the Non-Solvency II Firms - Senior Insurance Managers Regime - Applications and Notifications Part of the *PRA Rulebook*



BANK OF ENGLAND
PRUDENTIAL REGULATION
AUTHORITY



Short Form A – small non-directive insurers only⁷

Application to perform controlled functions

FCA Handbook Reference: SUP 10A Annex 4D

PRA Rulebook Reference: Non-Solvency II Firms - Senior Insurance Managers Regime - Applications and Notifications

⁷ See definition of *small non-directive insurer* in the FCA Handbook Glossary and the PRA Rulebook Glossary.

[†] The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP15.7 of the FCA Handbook and/or in the Non-Solvency II Firms - Senior Insurance Managers Regime - Applications and Notifications Part of the PRA Rulebook as applicable.
Short Form A – small non-directive insurers only: Application to perform controlled functions

3.02

For applications from a single *firm*, please tick the boxes that correspond to the *controlled functions* to be performed. If the *controlled functions* are to be performed for more than one *firm*, please go to question **3.04**

Function	Description of a controlled function	Tick (if applicable)	Effective Date
SIMF 25	Small Insurer Senior Manager		
SIMF 20	Actuarial Function Holder		
SIMF 21	With-profits Actuary		
CF 1	Director		
CF 3	Chief Executive Officer		
CF 5	Director of unincorporated association		
CF 6	Small friendly society function		
CF 10	Compliance Oversight function		
CF 10a	CASS Operational Oversight function		
CF 11	Money Laundering Reporting function		
CF 29	Significant Management function		
CF 30	Customer Function		

[†] The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP15.7 of the FCA Handbook and/or in the Non-Solvency II Firms - Senior Insurance Managers Regime - Applications and Notifications Part of the PRA Rulebook as applicable.
Short Form A – small non-directive insurers only: Application to perform controlled functions

Parts 5.01 and 5.05.2 of this section have been removed. However if there has been a change to the detail in this section since your last approval, you must submit a Long Form A as opposed to a Short Form A informing the FCA and/or PRA of the revised detail.

5.05.3 Has the *firm* undertaken a criminal records check in accordance with the requirements of the *PRA*?

Please note that a *firm* is required to obtain the fullest information that it is lawfully able to obtain about the *candidate* under Part V of the Police Act 1997 (Certificates of Criminal records, etc) and related subordinated legislation of the *UK* or any part of the

UK before making the application. (PRA Rulebook: Non-Solvency II Firms – Senior Insurance Managers Regime - Applications and Notifications)

If yes, please enter date the check was undertaken

Date (dd/mm/yy):

Note: if date is more than 3 months prior to current date or 3 months prior to date of application submission or the check has not been undertaken, please provide details why in section 6.

YES NO



I have supplied further information related to this page in Section 6[†] YES NO

[†] The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP15.7 of the FCA Handbook and/or in the Non-Solvency II Firms - Senior Insurance Managers Regime - Applications and Notifications Part of the PRA Rulebook as applicable.
Short Form A – small non-directive insurers only: Application to perform controlled functions

6.01

- If there is any other information the *candidate* or the *firm* considers to be relevant to the application, it must be included here.
- Please provide full details of
 - why the candidate is competent and capable to carry out the controlled function(s) applied for.
 - why the appointment complements the firm's business strategy, activity and market in which it operates.
 - how the appointment was agreed including details of any discussions at governing body level (where applicable).
- Provide a copy of the candidate's:-
 - Scope of Responsibilities with this form. This is not required for *candidates* for *controlled function* CF30 only.
 - Roles description
 - Curriculum vitae (C.V.)
 - Organisational chart
- Please also include here any additional information indicated in previous sections of the Form.
- **Please include a list of all directorships currently or previously held by the *candidate* in the past 10 years (where *director* has the meaning given in the *Glossary*.)**
- If there is insufficient space, please continue on a separate sheet of paper and clearly identify the section and question to which the additional information relates.
- **Full details must be provided here if there were any issues that could affect the Fitness and Propriety of the individual that arose when leaving an employer listed in section 4 or if any question has been answered 'yes' in section 5.**

Question	Information

[†] The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP15.7 of the FCA Handbook and/or in the Non-Solvency II Firms - Senior Insurance Managers Regime - Applications and Notifications Part of the PRA Rulebook as applicable.
Short Form A – small non-directive insurers only: Application to perform controlled functions

Declaration of *Candidate*

It is a criminal offence, knowingly or recklessly, to give the appropriate regulator information that is materially false, misleading or deceptive (see sections 398 and 400 Financial Services and Markets Act 2000). Even if you believe or know that information has been provided to the appropriate regulator before (whether as part of another application or otherwise) or is in the public domain, you must nonetheless disclose it clearly and fully in this form and as part of this application – you should not assume that the appropriate regulator will itself identify such information during the assessment of this application. If there is any doubt about the relevance of information, it should be included.

There will be a delay in processing the application if information is inaccurate or incomplete, and it may call into question the suitability of the *candidate* and/or lead to the appropriate regulator exercising its powers (including but not limited to taking disciplinary/ Enforcement action). You must notify the appropriate regulator immediately if there is a change to the information in this form and/or if inaccurate information has been provided (insofar as the appropriate regulator is reasonably likely to consider the information material).

The *candidate* confirms that the information provided in this application is accurate and complete to the best of his/her knowledge and that he or she has read the notes to this form. The *candidate* will notify the appropriate regulator immediately if there is a material change to the information provided.

The *candidate* confirms that the attached Scope of Responsibilities⁸ accurately reflects the aspects of the affairs of the firm which it is intended that the *candidate* will be responsible for managing. The *candidate* confirms that they have accepted all the responsibilities set out in this Scope of Responsibilities.

The *candidate* authorises the appropriate regulator to make such enquiries and seek such further information as it thinks appropriate to identify and verify information that it considers relevant to the assessment of this application.

The *candidate* acknowledges and agrees that these checks may include credit reference checks or information pertaining to fitness and propriety, and is aware that the results of these enquiries may be disclosed to the employer/applicant.

The *candidate* agrees that he or she may be required to apply for a search to be made as to whether any criminal records are held in relation to him or her and to obtain a certificate (where such certificate can be obtained) and to disclose the result of that search to the firm submitting this application.

The *candidate* agrees that the *FCA* and/or *PRA* may use the address specified for the *candidate* in this Form as the proper address for service in the United Kingdom as defined in Financial Services and Markets Act 2000 (Service of Notice) Regulations (SI 2001/1420) to serve any notices on that signatory.

For the purposes of complying with the Data Protection Act 1998, the personal information provided in this Form will be used by the *FCA* and *PRA* to discharge their statutory functions under the Financial Services and Markets Act 2000 and other relevant legislation, and will not be disclosed for any other purpose without the permission of the applicant.

The *candidate* confirms that he or she understands the regulatory responsibilities of my proposed role as set out in the rules of conduct in the *FCA's COCON* and/or *PRA Rulebook: Non Solvency II Firms: Insurance – Conduct Standards*.

The *candidate* is aware that, while advice may be sought from a third party (e.g. legal advice), responsibility for the accuracy of information, as well as the disclosure of relevant information, on the Form is ultimately the responsibility of those who sign the application.

In addition to other regulatory responsibilities, firms, and approved persons have a responsibility to disclose to the *FCA* and/or *PRA* matters of which it would reasonably expect to be notified. Failure to notify the appropriate regulator of such information may lead to the *FCA* and/or *PRA* taking disciplinary or other action against the firm and/or individuals.

Tick here to confirm you have read and understood this declaration:

7.01 *Candidates* full name †

7.02 Signature†

Date†

⁸ This is not applicable to *candidates* for *controlled function* CF30 only.

† The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP15.7 of the *FCA Handbook* and/or in the *Non-Solvency II Firms - Senior Insurance Managers Regime - Applications and Notifications Part of the PRA Rulebook* as applicable.
Short Form A – small non-directive insurers only: Application to perform controlled functions

Declaration of Firm

It is a criminal offence, knowingly or recklessly, to give the appropriate regulator information that is materially false, misleading or deceptive (see sections 398 and 400 Financial Services and Markets Act). Even if you believe or know that information has been provided to the appropriate regulator before (whether as part of another application or otherwise) or is in the public domain, you must nonetheless disclose it clearly and fully in this form and as part of this application – you should not assume that the appropriate regulator will itself identify such information during the assessment of this application. If there is any doubt about the relevance of information, it should be included.

There will be a delay in processing the application if information is inaccurate or incomplete, and it may lead to the appropriate regulator exercising its powers (including but not limited to taking disciplinary/ Enforcement action). You must notify the appropriate regulator immediately if there is a change to the information in this form and/or if inaccurate information has been provided (insofar as the appropriate regulator is reasonably likely to consider the information material).

In addition to other regulatory responsibilities, firms, and approved persons have a responsibility to disclose to the appropriate regulator, matters of which it would reasonably expect to be notified. Failure to notify the appropriate regulator of such information may lead to the appropriate regulator taking disciplinary or other action against the firm and/or individuals.

The applicant confirms that the information provided in this application is accurate and complete to the best of its knowledge and that it has read the notes to this form. The applicant will notify the appropriate regulator immediately if there is a material change to the information provided.

The applicant authorises the appropriate regulator to make such enquiries and seek such further information as it thinks appropriate to identify and verify information that it considers relevant to the assessment of this application.

Where required under Section 5, the applicant confirms that it has obtained the fullest information that it is lawfully able to obtain about the Individual under Part V of the Police Act 1997 and any related subordinated legislation of the UK or any part of the UK, and has given due consideration to that information in determining that Individual to be fit and proper.

In making this application the *firm* believes on the basis of due and diligent enquiry and, where applicable, by reference to the criteria in FIT that the *candidate* is a fit and proper person to perform the controlled function(s) listed in section 3. The firm also believes, on the basis of due and diligent enquiry, that the candidate is competent to fulfil the duties required in the performance of such function(s).

The applicant confirms that it has complied with its obligations under Equality and Diversity legislation when selecting the Individual to perform the function(s) applied for.

The applicant confirms that it has made the *candidate* aware of their regulatory responsibilities as set out in the rules of conduct in the FCA's COCON and/or PRA Rulebook: Non-Solvency II Firms: Insurance – Conduct Standards (as applicable).

The applicant confirms that the Scope of Responsibilities⁹ submitted with this form accurately reflects the aspects of the affairs of the *firm* which it is intended that the Candidate will be responsible for managing.

The applicant is aware that, while advice may be sought from a third party (e.g. legal advice), responsibility for the accuracy of information, as well as the disclosure of relevant information, on the form is ultimately the responsibility of those who sign the application.

In signing this form on behalf of the *firm*:

I confirm that the information in this Form is accurate and complete to the best of my knowledge and belief and that I have read the notes to this Form.

I confirm that I have authority to make this application and provide the declarations given by the firm, and sign this Form, on behalf of the firm identified in section 2.01 and/or each *firm* identified in section 3.04. I also confirm that a copy of this Form, as submitted to the FCA and/or PRA, will be sent to each of those *firms* at the same time as submitting the Form to the FCA and/or PRA.

7.03 Name of the *firm* submitting the application†

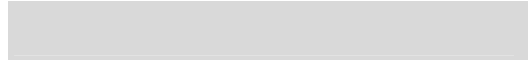
7.04 Name of *person* signing on behalf of the *firm*†

7.05 Job title†

⁹ This is not applicable to *candidates* for *controlled function* CF30 only.

† The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP15.7 of the FCA Handbook and/or in the Non-Solvency II Firms - Senior Insurance Managers Regime - Applications and Notifications Part of the PRA Rulebook as applicable.
Short Form A – small non-directive insurers only: Application to perform controlled functions

7.06 Signature†



Date†



† The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP15.7 of the *FCA Handbook* and/or in the *Non-Solvency II Firms - Senior Insurance Managers Regime - Applications and Notifications Part of the PRA Rulebook* as applicable.
Short Form A – small non-directive insurers only: Application to perform controlled functions



BANK OF ENGLAND
PRUDENTIAL REGULATION
AUTHORITY



Application number or IRN
(for FCA/PRA use only)

Small non-directive insurers¹⁰: Scope of Responsibilities

For candidates for approval, this form **must** be submitted as an attachment to a Form A application or a Form E application

FCA Reference: SUP 10A Annex 4D

PRA Rulebook Reference: Non-Solvency II Firms - Senior Insurance Managers Regime - Applications and Notifications

Please note: this form does NOT need to be completed for individuals who only hold a CF30 function.

Name of *individual*[†]
(to be completed by *firm*)

Name of *firm*[†]
(as entered in 2.01)

Financial Conduct Authority
25 The North Colonnade
Canary Wharf
London E14 5HS
United Kingdom
Telephone +44 (0) 300 500 0597
E-mail iva@fca.org.uk
Website www.fca.org.uk

Registered as a Limited Company in England and Wales No 1920623. Registered Office as above

Prudential Regulation Authority
20 Moorgate
London
EC2R 6DA
United Kingdom
Telephone +44 (0) 203 461 7000

Email PRA-ApprovedPersons@bankofengland.co.uk
Website www.bankofengland.co.uk/PRA

Registered as a Limited Company in England and Wales No 07854923. Registered Office: 8 Lothbury Road, London, EC2R 7HH

¹⁰ See definition in the FCA Handbook Glossary and the PRA Rulebook Glossary of *small non-directive insurer*.

[†] The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP15.7 of the FCA Handbook and/or in the Non-Solvency II Firms - Senior Insurance Managers Regime - Applications and Notifications Part of the PRA Rulebook as applicable
Small non-directive insurers: Scope of Responsibilities

Personal identifications details**Section 1****1.01** Individual Reference Number (IRN) †**1.02** Title
(e.g. Mr, Mrs, Ms, etc) †**1.03** Surname †**1.04** ALL forenames †**1.05** Date of birth
(dd/mm/yyyy) †**1.06** National Insurance number †**Firm identification details****Section 2****2.01** Name of *firm***2.02** *Firm* Reference Number (FRN)**2.03 a** Who should the *FCA/PRA* contact at the *firm* in relation to this *scope of responsibilities*?**b** Position**c** Telephone**d** Fax**e** E-mail

I have supplied further information related to this page in Section 4

YES NO

† The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP15.7 of the *FCA Handbook* and/or in the *Non-Solvency II Firms - Senior Insurance Managers Regime - Applications and Notifications Part of the PRA Rulebook* as applicable
Small non-directive insurers: Scope of Responsibilities

A Scope of Responsibilities should be drafted to clearly show the responsibilities that the *candidate* is to perform as part of their *controlled function* and other relevant responsibilities, and how they fit in with the *firm's* overall governance and management arrangements.

A Scope of Responsibilities should be drafted in such a way as to be practical and useable by regulators. The *FCA* and the *PRA* consider that this would be achieved by succinct, clear descriptions of each responsibility which avoid unnecessary detail. Firms have the opportunity to provide details of each responsibility allocated to an individual using the free text boxes in this form, however, the *PRA* and *FCA* would not usually expect the description of each responsibility to exceed 300 words.

A Scope of Responsibilities must be a self-contained document. There should be one document per Senior Insurance Manager Function (SIMF) or Significant Influence Function (SIF) holder per firm. Where an individual performs a SIMF or SIF on behalf of more than one firm within a group, one Scope of Responsibilities is required for each firm. Any supplementary information may be provided in section 4 (or if submitting electronically, in a **single** attachment). A Scope of Responsibilities must not cross refer to or include other documents, attachments or links.

If the appropriate regulator considers that the Scope of Responsibilities is not sufficiently clear to be practical and usable, it could be challenged as part of a candidate's application for approval, or in ongoing supervision.

Details of the individual's responsibilities should be set out in sections 3.2 and 3.3, as appropriate:

- Section 3.2 covers those responsibilities required by regulators to be allocated to one or more controlled functions.
- Section 3.3 covers anything else, not otherwise included, for which a candidate is to be responsible.

3.1 Effective date and relevant Controlled Functions

3.1.1 Please state the effective date of this Scope of Responsibilities (dd/mm/yyyy):

3.1.2 List all *controlled functions* which the *approved person* is to perform and the effective date the *person* commenced or will commence the performance of the functions. Please include those *FCA* functions that are included in a *PRA controlled function* under Insurance – Senior Insurance Management Functions 2.6 - 2.7 of the *PRA* Rulebook.

Function	Description of a controlled function	Tick (if applicable)	Effective Date
SIMF 25	Small Insurer Senior Manager		
SIMF 20	Actuarial Function Holder*		
SIMF 21	With-profits Actuary*		
CF 1	Director		
CF 3	Chief Executive Officer*		
CF 5	Director of unincorporated association		
CF 6	Small friendly society function		
CF 10	Compliance Oversight function*		
CF 10a	CASS Operational Oversight function		

† The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP15.7 of the *FCA* Handbook and/or in the Non-Solvency II Firms - Senior Insurance Managers Regime - Applications and Notifications Part of the *PRA* Rulebook as applicable

CF 11	Money Laundering Reporting function*		
CF 29	Significant Management function		
CF 30	Customer Function		

Please note that for those roles asterisked above, this scope of responsibilities is considered to automatically include the existing legal and regulatory obligations for these roles. For example, certain specific responsibilities of a director are set out in company law. Such responsibilities do not need to be recorded in this statement, but any additional responsibilities should be recorded in the sections below.

† The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP15.7 of the *FCA Handbook* and/or in the *Non-Solvency II Firms - Senior Insurance Managers Regime - Applications and Notifications Part of the PRA Rulebook* as applicable
Small non-directive insurers: Scope of Responsibilities

3.2 PRA Prescribed Responsibilities

This section deals with those responsibilities required by *PRA* rules to be allocated to one or more controlled functions.

If the responsibilities that the *candidate* or person performing SIMFs or SIFs is to carry out as described in the scope of responsibilities go beyond those set out in this section, those additional responsibilities should not reduce or alter the scope of the prescribed requirements set out in this section. If the individual has not been allocated a prescribed responsibility, please go to section 3.3.

Ref	Prescribed Responsibilities	Tick if applicable
1	Business plan and management information	
	Is this responsibility shared with another SIMF or SIF? If 'yes' please provide further details in section 4:	
2	Financial resources	
	Is this responsibility shared with another SIMF or SIF? If 'yes' please provide further details in section 4:	
3	Legal & regulatory obligations	
	Is this responsibility shared with another SIMF or SIF? If 'yes' please provide further details in section 4:	
4	Oversight of proportionate systems & controls, and risk management.	
	Is this responsibility shared with another SIMF or SIF? If 'yes' please provide further details in section 4:	

→ I have supplied further information related to this page in Section 4 YES NO

† The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP15.7 of the *FCA Handbook* and/or in the *Non-Solvency II Firms - Senior Insurance Managers Regime - Applications and Notifications Part of the PRA Rulebook* as applicable
Small non-directive insurers: Scope of Responsibilities

3.2.2 If necessary, please provide additional information about each prescribed responsibility, including:

- A breakdown of the different components and tasks which the responsibility encompasses; and
- If applicable, details of any sharing arrangements including, if known, the name(s), IRN(s) and/or job title(s) of the individual(s) you are sharing this prescribed responsibility with. The responsibility should be recorded in the same way in the scope of responsibilities documents for each individual.

Additional information must be relevant, succinct and not dilute or undermine the prescribed responsibility.

Ref	Prescribed Responsibility	Further Relevant Details

[†] The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP15.7 of the *FCA Handbook* and/or in the *Non-Solvency II Firms - Senior Insurance Managers Regime - Applications and Notifications Part of the PRA Rulebook* as applicable
Small non-directive insurers: Scope of Responsibilities

3.3 Other Responsibilities

3.3.1 Please set out below anything else, not otherwise included in this statement, for which a candidate or SIMF or SIF is to be responsible as part of their *FCA* and/or *PRA* controlled function(s) or key function(s) role.

Responsibility		Yes/ No
	Is this responsibility shared with another SIMF or SIF? If 'yes' please provide further details in section 4:	
	Is this responsibility divided with another SIMF or SIF i.e. are you responsible for part of this responsibility rather than all of it? If 'yes' please provide further details in section 4:	
Please provide a description of your responsibilities:		

→ I have supplied further information related to this page in Section 4 YES NO

† The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP15.7 of the *FCA* Handbook and/or in the Non-Solvency II Firms - Senior Insurance Managers Regime - Applications and Notifications Part of the *PRA* Rulebook as applicable
 Small non-directive insurers: Scope of Responsibilities

4.1 Is there any other information the *individual* or the *firm* considers to be relevant?

YES NO

If yes, please provide details below or on a separate sheet of paper and clearly identify the section and question to which the additional information relates.

Question	Information

4.2 How many additional sheets are being submitted?

[†] The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP15.7 of the *FCA Handbook* and/or in the *Non-Solvency II Firms - Senior Insurance Managers Regime - Applications and Notifications Part of the PRA Rulebook* as applicable
Small non-directive insurers: Scope of Responsibilities



BANK OF ENGLAND
PRUDENTIAL REGULATION
AUTHORITY



Form E

Internal transfer of an approved person (small non-directive insurers only¹¹)

FCA Handbook Reference: SUP 10A Annex 8D

PRA Rulebook Reference: Non-Solvency II Firms - Senior Insurance Managers Regime - Applications and Notifications

¹¹ See definition of *small non-directive insurer* in the FCA Handbook Glossary and the PRA Rulebook Glossary.

[†] The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP15.7 of the FCA Handbook and/or in the Non-Solvency II Firms - Senior Insurance Managers Regime - Applications and Notifications Part of the PRA Rulebook as applicable

4.02 For applications from a single *firm*, please tick the boxes that correspond to the *controlled functions* to be performed.

If the *controlled functions* are to be performed for more than one *firm*, please go to question 4.04

Function	Description of a <i>controlled function</i>	Tick (if applicable)	Effective Date
SIMF 25	Small Insurer Senior Manager		
SIMF 20	Actuarial Function Holder		
SIMF 21	With-profits Actuary		
CF 1	Director		
CF 3	Chief Executive Officer		
CF 5	Director of unincorporated association		
CF 6	Small friendly society function		
CF 10	Compliance Oversight function		
CF 10a	CASS Operational Oversight function		
CF 11	Money Laundering Reporting function		
CF 29	Significant Management function		
CF 30	Customer Function		

† The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP15.7 of the *FCA Handbook* and/or in the *Non-Solvency II Firms - Senior Insurance Managers Regime - Applications and Notifications Part of the PRA Rulebook* as applicable

- 5.01
- If there is any other information the *candidate* or the *firm* considers to be relevant to the application, it must be included here.
 - Please provide full details of
 - why the *candidate* is competent and capable to carry out the controlled function(s) applied for.
 - why the appointment complements the firm's business strategy, activity and market in which it operates.
 - how the appointment was agreed including details of any discussions at governing body level (where applicable).
 - Provide a copy of the candidate's:-
 - Scope of Responsibilities with this form. This is not required for *candidates* for *controlled function* CF30 only.
 - Roles description
 - Curriculum Vitae (C.V.)
 - Organisational chart

Question	Information

† The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP15.7 of the FCA Handbook and/or in the Non-Solvency II Firms - Senior Insurance Managers Regime - Applications and Notifications Part of the PRA Rulebook as applicable
 Form E – Internal transfer of an approved person: small non-directive insurers only

Declaration of Candidate

Knowingly or recklessly giving the *FCA* and/or *PRA* information which is false or misleading in a material particular may be a criminal offence (section 398 of the Financial Services and Markets Act 2000). It should not be assumed that information is known to the *FCA* and/or *PRA* merely because it is in the public domain or has previously been disclosed to the *FCA* and/or *PRA* or another regulatory body. If there is any doubt about the relevance of information, it should be included.

In addition to other regulatory responsibilities, firms, senior managers and other approved persons have a responsibility to disclose to the *FCA* and/or *PRA* matters of which it would reasonably expect to be notified. Failure to notify the *FCA* and/or *PRA* of such information may lead to the *FCA* and/or *PRA* taking disciplinary or other action against the firm and/or individuals.

For the purposes of complying with the Data Protection Act 1998, the personal information provided in this Form will be used by the *FCA* and *PRA* to discharge their statutory functions under the Financial Services and Markets Act 2000 and other relevant legislation, and will not be disclosed for any other purpose without the permission of the applicant.

With reference to the above, the *FCA* and/or *PRA* may seek to verify the information given in this Form including answers pertaining to fitness and propriety. This may include a credit reference check. In signing the form below:

a) I authorise the *FCA* and/or *PRA* to make such enquiries and seek such further information as it thinks appropriate in the course of verifying the information given in this Form. *Candidates* may be required to apply for a criminal records search to be made as to whether any criminal records are held in relation to them and to obtain a certificate (where such certificate can be obtained) and to disclose the result of that search to the *firm* submitting this application.

b) I confirm that the information in this Form is accurate and complete to the best of my knowledge and belief and that I have read the notes to this Form. I confirm that the attached Scope of Responsibilities¹² accurately reflects the aspects of the affairs of the *firm* which it is intended that I will be responsible for managing. I confirm that I have accepted all the responsibilities set out in this Scope of Responsibilities.

c) I confirm that I understand the regulatory responsibilities of my proposed role as set out in the rules of conduct in the *FCA*'s Conduct Rules (*COCOM*) and/or *PRA Rulebook: Insurance – Conduct Standards 2*.

Tick here to confirm you have read and understood this declaration:

6.01 *Candidates* full name †

6.02 Signature†

Date†

¹² This is not applicable to candidates for controlled function CF30 only.

† The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP15.7 of the *FCA Handbook* and/or in the Non-Solvency II Firms - Senior Insurance Managers Regime - Applications and Notifications Part of the *PRA Rulebook* as applicable
 Form E – Internal transfer of an approved person: small non-directive insurers only

Declaration of Firm

Knowingly or recklessly giving the *FCA* and/or *PRA* information which is false or misleading in a material particular may be a criminal offence (sections 398 and 400 of the Financial Services and Markets Act 2000). *SUP* 15.6.1R and *SUP* 15.6.4R of the *FCA* Handbook and Notification 6 of the *PRA* Rulebook require an *authorised person* to take reasonable steps to ensure the accuracy and completeness of information given to the *FCA* and/or *PRA* and to notify the *FCA* and/or *PRA* immediately if materially inaccurate information has been provided.

In addition to other regulatory responsibilities, firms, senior managers and other approved persons have a responsibility to disclose to the *FCA* and/or *PRA* matters of which it would reasonably expect to be notified. Failure to notify the *FCA* and/or *PRA* of such information may lead to the *FCA* and/or *PRA* taking disciplinary or other action against the firm and/or individuals.

It should not be assumed that information is known to the *FCA* and/or *PRA* merely because it is in the public domain or has previously been disclosed to the *FCA* and/or *PRA* or another regulatory body. If there is any doubt about the relevance of information, it should be included.

In making this application the *firm* believes on the basis of due and diligent enquiry and, where applicable, by reference to the criteria in FIT¹³ that the candidate is a fit and proper person to perform the controlled function(s) listed in section 3. The firm also believes, on the basis of due and diligent enquiry, that the candidate is competent to fulfil the duties required in the performance of such function(s).

IF UNDERTAKING ANY NON MiFID BUSINESS FOR WHICH THE FIRM HAS NOT PREVIOUSLY APPLIED FOR AUTHORISATION, PLEASE ALSO COMPLETE THE FOLLOWING

The *firm* also believes, on the basis of due and diligent enquiry, that the *candidate* is competent to fulfil the duties required of such function(s). YES NO

Where applicable, the *firm* confirms that it has had sight of a criminal records certificate prepared within the past 3 months in relation to the Individual and has given due consideration to the information contained in that certificate in determining that Individual to be fit and proper. Alternatively, where a certificate is not obtained the firm has provided an explanation in section 5. In signing this form on behalf of the firm:

a) I confirm that the information in this Form is accurate and complete to the best of my knowledge and belief and that I have read the notes to this Form.

b) I confirm that I have authority to make this application and provide the declarations given by the *firm*, and sign this form, on behalf of the *firm* identified in section 2.01 and/or each firm identified in section 3.04. I also confirm that a copy of this Form, as submitted to the *FCA* and/or *PRA*, will be sent to each of those *firms* at the same time as submitting the form to the *FCA* and/or *PRA*.

c) I confirm the *candidate* has been made aware of the regulatory responsibilities of the proposed role as set out in the rules of conduct in the *FCA*'s Conduct Rules (COCON) and/or *PRA* Conduct Rules (as applicable).

d) I confirm that that the Scope of Responsibilities submitted with this form accurately reflects the aspects of the affairs of the *firm* which it is intended that the *candidate* will be responsible for managing.¹⁴

6.03 Name of the *firm* submitting the application†

6.04 Name of *person* signing on behalf of the *firm*†

6.05 Job title†

6.06 Signature†

Date†

¹³ The FIT Sourcebook sets out the criteria that the *FCA* and/or *PRA* will consider when assessing the fitness and propriety of a candidate for a controlled function. <https://fshandbook.info/FS/html/FCA/FIT>.

¹⁴ This is not applicable to candidates for controlled function CF30 only.



BANK OF ENGLAND
PRUDENTIAL REGULATION
AUTHORITY



Application number
(for FCA/PRA use only)

Grandfathering Notification Form (Form K) Large non-directive insurers only¹

FCA Handbook Reference: SUP TP7

PRA Rulebook Reference: PRA Rulebook: Non Solvency II Firms: Large Non-Solvency II Firms – Senior Insurance Managers Regime – Technical Provisions.

Please note: this form does NOT need to be completed for approved persons who are currently only performing an FCA *controlled function* and it is intended will continue only to hold the same FCA *controlled function* following grandfathering (see SUP TP 7.2.1R). Also, information does NOT need to be provided in relation to the CF1 function where an individual is currently approved to perform *governing function* PRA CF1 and who will after 7 March 2016 perform *governing function* FCA CF1 but not any of the PRA SIMF functions (see PRA Rulebook: Non Solvency II Firms: Large Non-Solvency II Firms – Senior Insurance Management Functions) as FCA grandfathering will automatically convert the PRA CF1 to an FCA CF1. If a firm intends that any individual will not perform any *controlled function* that they would be eligible to take up through grandfathering (including those functions where information is not required to be submitted in this form, as set out above) it should submit a Form C (notice of ceasing to perform *controlled functions*) accordingly.

Name of firm

Firm Reference Number (FRN)

Financial Conduct Authority
25 The North Colonnade
Canary Wharf
London E14 5HS
United Kingdom

Telephone +44 (0) 300 500 0597

E-mail iva@fca.org.uk

Website www.fca.org.uk

Registered as a Limited Company in England and Wales
No 1920623. Registered Office as above

Prudential Regulation Authority
20 Moorgate
London

EC2R 6DA

United Kingdom

Telephone +44 (0) 203 461 7000

Email PRA-ApprovedPersons@bankofengland.co.uk

Website www.bankofengland.co.uk/PRA

Registered as a Limited Company in England and Wales No
07854923. Registered Office: 8 Lothbury Road, London, EC2R
7HH

¹Please see the definition of *large non-directive insurer* in PRA Rulebook: Glossary

Contact for this notification

1.01 Title	
1.02 First Name	
1.03 Surname	
1.04 Job Title	
1.05 Business address	
1.06 Post code	
1.07 Phone number (including STD code)	
1.08 Email address	
1.09 Mobile No	
1.10 Fax No.	

2.01 Provide details of each *approved* person who will, from 7 March 2016, perform any of the *controlled functions* set out in column 2 of Part 1 of the tables in *FCA rule SUP TP 7.2.3R* or in column 2 in the Table of Equivalent Functions for Grandfathering in *PRA Rulebook: Large Non-Solvency II Firms – Senior Insurance Managers Regime – Transitional Provisions*². Also provide details of which of those *controlled functions* are to be carried out by each such *approved person*. **If this is an update to a previous grandfathering notification please complete section 3.**

IRN	Name of individual
Current <i>Controlled Function</i>	Proposed <i>Controlled Function(s)</i>

IRN	Name of individual
Current <i>Controlled Function</i>	Proposed <i>Controlled Function(s)</i>

IRN	Name of individual
Current <i>Controlled Function</i>	Proposed <i>Controlled Function(s)</i>

²Details are not required for approved persons who are currently only performing an *FCA controlled function* and it is intended will continue only to hold the same *FCA controlled function* following grandfathering (see *SUP TP 7.2.1R*). Also, information does NOT need to be provided in relation to the CF1 function where an individual is currently approved to perform *governing function* PRA CF1 and who will post 7 March 2016 perform *governing function* FCA CF1 but not any of the PRA SIMF functions (see *PRA Rulebook: Large Non-Solvency II Firms: Senior Insurance Management Functions*) as *FCA* grandfathering will automatically convert the PRA CF1 to an FCA CF1. If a firm intends that any individual will not perform any *controlled function* that they would be eligible to take up through grandfathering (including those functions where information is not required to be submitted in this form, as set out above) it should submit a Form C (notice of ceasing to perform *controlled functions*) accordingly.

2.02 If you have submitted any applications for approval of individuals to perform one or more *controlled functions* that are currently subject to determination by the *FCA* and/or *PRA*, and any of these individuals who will from 7 March 2016 perform any of the *controlled functions* set out in column 2 of the tables in *FCA* rule *SUP TP 7.2.3R* or in column 2 in the Table of Equivalent Functions for Grandfathering in *PRA Rulebook: Large Non-Solvency II Firms: Senior Insurance Managers Regime – Transitional Provisions*³, provide details of which of those *controlled functions* are to be carried out by each such *approved person*. **For the purpose of this section, you should assume that the *FCA* and/or *PRA* will approve the application that is subject to determination before the commencement date, and that the individual will therefore be eligible for grandfathering. If this is an update to a previous grandfathering notification please complete section 3.**

IRN [or application ref]	Name of individual
Controlled Function applied for	Proposed Controlled Function(s)

IRN [or application ref]	Name of individual
Controlled Function applied for	Proposed Controlled Function(s)

IRN [or application ref]	Name of individual
Controlled Function applied for	Proposed Controlled Function(s)

³ Details are not required in relation to candidates to perform an *FCA controlled function* where it is intended that they will only hold the same *FCA controlled function* following grandfathering. Also, information does NOT need to be provided in relation to the *CF1* function where a candidate for approval to perform governing function *PRA CF1* who will post 7 March 2016 perform *governing function FCA CF1* but not any of the *PRA SIMF* functions (see *PRA Rulebook: Large Non-Solvency II Firms: Senior Insurance Management Functions*) as *FCA* grandfathering will automatically convert the *PRA CF1* to an *FCA CF1*.

3.00 If you need to update a previous grandfathering notification, please provide details of updates to the *firm's* Grandfathering Notification Form below.

IRN	Name of individual
<i>Controlled Function</i>	<i>Proposed Controlled Function(s)</i>
Details of change and reasons for such change.	

IRN	Name of individual
<i>Controlled Function</i>	<i>Proposed Controlled Function(s)</i>
Details of change and reasons for such change.	

Declaration

In this declaration, the *firm* making the notification in relation to each individual is referred to as the “**applicant**”. The applicant must ensure that it has the authority of each individual in relation to whom it is making a notification for grandfathering to a *controlled function* to cause the information contained in this form relating to such individual to be submitted, and that it has made each such individual aware of his/her prospective regulatory responsibilities as set out in the *FCA’s Code of Conduct (COCON)* and/or the *PRA Rulebook: Large Non-Solvency II Firms – Conduct Standards* (as applicable).

It is a criminal offence, knowingly or recklessly, to give the *FCA* and/or *PRA* information that is materially false, misleading or deceptive (see sections 398 and 400 Financial Services and Markets Act 2000).

The applicant must notify the *FCA* and/or *PRA* immediately if there is a change to the information in this form and/or if inaccurate information has been provided (insofar as the *FCA* and/or *PRA* is reasonably likely to consider the information material).

For the purpose of complying with the Data Protection Act 1998, the personal information provided in this form will be used by the *FCA* and *PRA* to discharge their statutory functions under the Financial Services and Markets Act 2000 and other relevant legislation and will not be disclosed for any other purpose without the permission of the applicant.

In addition to other regulatory responsibilities, *firms* and *approved persons* have a responsibility to disclose to the *FCA* and/or *PRA* matters of which it would reasonably expect to be notified. Failure to notify the *FCA* and/or *PRA* of such information may lead to the *FCA* and/or *PRA* taking disciplinary or other action against the *firm* and/or individuals.

The person signing on behalf of the applicant confirms that:

- he or she has read this declaration in full;
- he or she has confirmed that the information supplied is accurate and complete to the best of the his/her knowledge.

Name of the *applicant*

Name of *person* signing on behalf of the *applicant*

Position

Signature

Date



BANK OF ENGLAND
PRUDENTIAL REGULATION
AUTHORITY



Long Form A – Large non-directive insurers only⁴

Application to perform controlled functions

FCA Handbook Reference: SUP 10A Annex 4D

PRA Rulebook Reference: Large Non-Solvency II Firms – Senior Insurance Managers Regime – Applications and Notifications

⁴ Please see the definition of large non-directive insurer in *PRA Rulebook*: Glossary

[†] The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7.4R- 15.7.9G or in the Large Non-Solvency II Firms – Senior Insurance Managers Regime - Applications and Notifications Part of the *PRA Rulebook*

1.12 Phone number

A grey rectangular box used to redact the phone number.

† The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7.4R- 15.7.9G or in the Large Non-Solvency II Firms – Senior Insurance Managers Regime - Applications and Notifications Part of the PRA Rulebook
Long Form A – Large non-directive insurers only: Application to perform controlled functions

3.01 Nature of the arrangement between the candidate and the applicant.

<i>a</i>	<i>Employee</i>	<input type="checkbox"/>
<hr/>		
<i>b</i>	<i>Group employee</i>	<input type="checkbox"/>
	Name of group	<div style="background-color: #cccccc; width: 100%; height: 15px;"></div>
<hr/>		
<i>c</i>	Contract for services	<input type="checkbox"/>
<hr/>		
<i>d</i>	Partner	<input type="checkbox"/>
<hr/>		
<i>e</i>	Other	<input type="checkbox"/>
	Give details	<div style="background-color: #cccccc; width: 100%; height: 15px;"></div>
<hr/>		

Proposed date of appointment

Length of appointment (if applicable)

† The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7.4R- 15.7.9G or in the Large Non-Solvency II Firms – Senior Insurance Managers Regime - Applications and Notifications Part of the PRA Rulebook
 Long Form A – Large non-directive insurers only: Application to perform controlled functions

3.02 For applications from a single *firm*, please tick the boxes that correspond to the *controlled functions* to be performed. If the *controlled functions* are to be performed for more than one *firm*, please go to question **3.04**

Function	Description of a <i>controlled function</i>	Tick (if applicable)	Effective Date
SIMF 1	Chief Executive officer		
SIMF 2	Chief Finance function		
SIMF 4	Chief Risk officer		
SIMF 5	Head of Internal Audit		
SIMF 7	Group Entity Senior Insurance Manager		
SIMF 9	Chairman		
SIMF 10	Chair of the Risk Committee		
SIMF 11	Chair of the Audit Committee		
SIMF 12	Chair of the Remuneration Committee		
SIMF 14	Senior Independent Director		
SIMF 20	Chief Actuary		
SIMF21	With-profits Actuary		
SIMF22	Chief Underwriting Officer function		
CF 1	Director		
CF 2a	Chair of the Nomination Committee		
CF 2b	Chair of the With-Profits Committee		
CF 5	Director of unincorporated association function		
CF 6	Small friendly society function		
CF 10	Compliance Oversight function		
CF 10a	CASS Operational Oversight function		
CF 11	Money Laundering Reporting function		
CF 29	Significant Management function		
CF 30	Customer Function		

3.03 Job title

Insurance mediation

Will the *candidate* be responsible for Insurance mediation at the *firm*? YES NO

(Note: Yes can only be selected if the individual is applying for a governing function (other than *controlled functions* CF2a and CF2b) (MIPRU 2.2.2))



I have supplied further information related to this page in Section 6[†] YES NO

[†] The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7.4R- 15.7.9G or in the Large Non-Solvency II Firms – Senior Insurance Managers Regime - Applications and Notifications Part of the PRA Rulebook

Disclosure Note:

We require firms to disclose all relevant information relating to a *candidate's* fitness and propriety. If there is any doubt about the relevance of the information, the information should be disclosed. The *FCA/PRA* takes non-disclosure very seriously and may consider it to be evidence of dishonesty and/or lack of integrity. In all circumstances, disclosures should be full, frank and unambiguous; if in doubt, disclose. In the event that a *candidate* discloses adverse information to the applicant firm (or the applicant firm knows of adverse information by some other means) the applicant *firm* has a duty to disclose that information candidly to the *FCA/PRA* and explain why the applicant *firm* considers this does not affect the *candidate's* fitness and propriety (this paragraph should be read in conjunction with the information on disclosure in the guidance notes corresponding to this form). Questions 5.03.4 5.04.11 and 5.05.2 – 5.05.4, do not have to be answered for *candidates for controlled function* CF30 only.

5.03 Business and Employment Matters

5.03.4 Has the *candidate* ever participated in an arbitration board?

YES NO



I have supplied further information related to this page in Section 6[†] YES NO

[†] The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7.4R- 15.7.9G or in the Large Non-Solvency II Firms – Senior Insurance Managers Regime - Applications and Notifications Part of the *PRA* Rulebook
 Long Form A – Large non-directive insurers only: Application to perform controlled functions

5.04 Regulatory Matters

5.04.1 In relation to activities regulated by the *FCA* and/or *PRA* or any other regulatory body (see note section 5), has:

- The *candidate*, or
- Any company, partnership or unincorporated associate of which the *candidate* is or has been a controller, director, senior manager, partner or company secretary, during the *candidate's* association with the entity and for a period of three years after the *candidate* ceased to be associated with it, ever –

I Been on a board of directors in an operating undertaking that has not been granted a release from liability?

YES NO



I have supplied further information related to this page in Section 6[†]

YES NO

5.05.2 Does the candidate have, or know of, any:

a

Qualifying ownership⁵ or any other form of substantial influence in the *firm* or group, or any other companies

If yes, please provide:

1. Company name and registration number
2. Nature and scope of the operations
3. The registered office of the company
4. Possession in percentage

YES NO

b

Close relatives with ownership shares in the *firm* or group

YES NO

c

Close relatives with any other financial relations in the *firm* or group

YES NO

d

Any other commitments that may give rise to a conflict of interest

YES NO

If 'yes' to any of the above, please provide explanations of the circumstances and how the individual intends to mitigate this

5.05.3

Are the *candidate* or the *firm* aware of any other information relevant to this notification that we might reasonably expect from the *candidate*?

YES NO

5.05.4

Has the *firm* undertaken a criminal records check in accordance with the requirements of the *PRA*?

Please note that a *firm* is required to obtain the fullest information that it is lawfully able to obtain about the *candidate* under Part V of the

YES NO

⁵ As defined in Article 13(21) of the Solvency II Directive, qualifying ownership is 'direct or indirect holding in an undertaking which represent 10% or more of the capital or of the voting rights or which makes it possible to exercise a significant influence over the management of that undertaking'.

[†] The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7.4R- 15.7.9G or in the Large Non-Solvency II Firms – Senior Insurance Managers Regime - Applications and Notifications Part of the *PRA* Rulebook
Long Form A – Large non-directive insurers only: Application to perform controlled functions

Police Act 1997 (Certificates of Criminal records, etc) and related subordinated legislation of the UK or any part of the UK before making the application. (Applications and Notifications in the PRA Rulebook)

If yes, please enter date the check was undertaken

Date (dd/mm/yy):

Note: if date is more than 3 months prior to current date or 3 months prior to date of application submission or the check has not been undertaken, please provide details why in section 6.

5.05.5

For PRA functions only: Has / Have a reference or references been obtained from current and previous employer(s) in accordance with the requirements of the PRA as set out in 2.5 in Insurance- Fitness and Propriety

If No, please provide details why the reference or references has/have not been obtained.

Please note that for candidates for PRA controlled functions, a firm is required to take reasonable steps to obtain appropriate references from any current or previous employer of the candidate, or at any organisation at which the candidate is or was a non-executive director during the last 5 years (see Insurance- Fitness and Propriety 2.5 in the PRA Rulebook).

YES NO



I have supplied further information related to this page in Section 6[†]

YES NO

[†] The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7.4R- 15.7.9G or in the Large Non-Solvency II Firms – Senior Insurance Managers Regime - Applications and Notifications Part of the PRA Rulebook

6.01

- If there is any other information the *candidate* or the *firm* considers to be relevant to the application, it must be included here.
- Please provide full details of
 - why the *candidate* is competent and capable to carry out the *controlled function(s)* applied for
 - why the appointment complements the *firm's* business strategy, activity and market in which it operates
 - how the appointment was agreed including details of any discussions at governing body level (where applicable)
- Provide a copy of the *candidate's*:-
 - Scope of Responsibilities with this form. This is not required for *candidates* for *controlled function* CF30 only.
 - Roles description
 - Curriculum Vitae (C.V.)
 - Organisational chart
- Please also include here any additional information indicated in previous sections of the form.
- **Please include a list of all directorships currently or previously held by the *candidate* in the past 10 years (where *director* has the meaning given in the *Glossary*.)**
- If there is insufficient space, please continue on a separate sheet of paper and clearly identify the section and question to which the additional information relates.
- **Full details must be provided here if there were any issues that could affect the Fitness and Propriety of the individual that arose when leaving an employer listed in section 4 or if any question has been answered 'yes' in section 5.**

Question	Information

† The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7.4R- 15.7.9G or in the Large Non-Solvency II Firms – Senior Insurance Managers Regime - Applications and Notifications Part of the PRA Rulebook
 Long Form A – Large non-directive insurers only: Application to perform controlled functions

Declaration of *Candidate*

It is a criminal offence, knowingly or recklessly, to give the *FCA* and/or *PRA* information that is materially false, misleading or deceptive (see sections 398 and 400 Financial Services and Markets Act 2000). Even if you believe or know that information has been provided to the *FCA* and/or *PRA* before (whether as part of another application or otherwise) or is in the public domain, you must nonetheless disclose it clearly and fully in this form and as part of this application – you should not assume that the *FCA* and/or *PRA* will itself identify such information during the assessment of this application. If there is any doubt about the relevance of information, it should be included.

There will be a delay in processing the application if information is inaccurate or incomplete, and it may call into question the suitability of the *candidate* and/or lead to the *FCA* and/or *PRA* exercising its powers (including but not limited to taking disciplinary/ Enforcement action). You must notify the *FCA* and/or *PRA* immediately if there is a change to the information in this form and/or if inaccurate information has been provided (insofar as the *FCA* and/or *PRA* are reasonably likely to consider the information material).

The *candidate* confirms that the information provided in this application is accurate and complete to the best of his/her knowledge and that he or she has read the notes to this form. The *candidate* will notify the *FCA* and/or *PRA* immediately if there is a material change to the information provided.

The *candidate* confirms that the attached Scope of Responsibilities⁶ accurately reflects the aspects of the affairs of the firm which it is intended that the *candidate* will be responsible for managing. The *candidate* confirms that they have accepted all the responsibilities set out in this Scope of Responsibilities.

The *candidate* authorises the *FCA* and/or *PRA* to make such enquiries and seek such further information as it thinks appropriate to identify and verify information that it considers relevant to the assessment of this application.

The *candidate* acknowledges and agrees that these checks may include credit reference checks or information pertaining to fitness and propriety, and is aware that the results of these enquiries may be disclosed to the employer/Applicant.

The *candidate* agrees that he or she may be required to apply for a search to be made as to whether any criminal records are held in relation to him or her and to obtain a certificate (where such certificate can be obtained) and to disclose the result of that search to the firm submitting this application.

The *candidate* agrees that the *FCA* and/or *PRA* may use the address specified for the *candidate* in this form as the proper address for service in the United Kingdom as defined in Financial Services and Markets Act 2000 (Service of Notice) Regulations (SI 2001/1420) to serve any notices on that signatory.

For the purposes of complying with the Data Protection Act 1998, the personal information provided in this Form will be used by the *FCA* and *PRA* to discharge their statutory functions under the Financial Services and Markets Act 2000 and other relevant legislation, and will not be disclosed for any other purpose without the permission of the applicant.

The *candidate* confirms that he or she understands the regulatory responsibilities of the proposed role as set out in the rules of conduct in the *FCA*'s *COCON* and/or *PRA Rulebook*: Large Non-Solvency II Firms – Conduct Standards (as applicable).

The *candidate* is aware that, while advice may be sought from a third party (e.g. legal advice), responsibility for the accuracy of information, as well as the disclosure of relevant information, on the Form is ultimately the responsibility of those who sign the application.

In addition to other regulatory responsibilities, *firms*, and approved persons have a responsibility to disclose to the *FCA* and/or *PRA* matters of which it would reasonably expect to be notified. Failure to notify the *FCA* and/or *PRA* of such information may lead to the *FCA* and/or *PRA* taking disciplinary or other action against the firm and/or individuals.

Tick here to confirm you have read and understood this declaration:

7.01 *Candidate's full name*[†]

7.02 Signature^{*}

Date[†]

⁶ This is not applicable for *candidates* for *controlled function* CF30 only.

^{*} The above question(s) appears on a paper form submission only. That question does not appear on an electronic form submission.

[†] The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7.4R- 15.7.9G or in the Large Non-Solvency II Firms – Senior Insurance Managers Regime - Applications and Notifications Part of the *PRA Rulebook*
Long Form A – Large non-directive insurers only: Application to perform controlled functions

Declaration of Firm

It is a criminal offence, knowingly or recklessly, to give the *FCA* and/or *PRA* information that is materially false, misleading or deceptive (see sections 398 and 400 Financial Services and Markets Act). Even if you believe or know that information has been provided to the *FCA* and/or *PRA* before (whether as part of another application or otherwise) or is in the public domain, you must nonetheless disclose it clearly and fully in this form and as part of this application – you should not assume that the *FCA* and/or *PRA* will itself identify such information during the assessment of this application. If there is any doubt about the relevance of information, it should be included.

There will be a delay in processing the application if information is inaccurate or incomplete, and it may lead to the *FCA* and/or *PRA* exercising its powers (including but not limited to taking disciplinary/ Enforcement action). You must notify the *FCA* and/or *PRA* immediately if there is a change to the information in this form and/or if inaccurate information has been provided (insofar as the *FCA* and/or *PRA* is reasonably likely to consider the information material).

In addition to other regulatory responsibilities, *firms*, and approved persons have a responsibility to disclose to the *FCA* and/or *PRA*, matters of which it would reasonably expect to be notified. Failure to notify the *FCA* and/or *PRA* of such information may lead to the *FCA* and/or *PRA* taking disciplinary or other action against the firm and/or individuals.

The applicant confirms that the information provided in this application is accurate and complete to the best of its knowledge and that it has read the notes to this form. The Applicant will notify the *FCA* and/or *PRA* immediately if there is a material change to the information provided.

The applicant authorises the *FCA* and/or *PRA* to make such enquiries and seek such further information as it thinks appropriate to identify and verify information that it considers relevant to the assessment of this application.

Where required under Section 5, the applicant confirms that it has obtained the fullest information that it is lawfully able to obtain about the Individual under Part V of the Police Act 1997 and any related subordinated legislation of the UK or any part of the UK, and has given due consideration to that information in determining that Individual to be fit and proper.

In making this application the *firm* believes on the basis of due and diligent enquiry and, where applicable, by reference to the criteria in FIT that the *candidate* is a fit and proper person to perform the controlled function(s) listed in section 3. The *firm* also believes, on the basis of due and diligent enquiry, that the *candidate* is competent to fulfil the duties required in the performance of such function(s).

The applicant confirms that it has complied with its obligations under Equality and Diversity legislation when selecting the Individual to perform the function(s) applied for.

The applicant confirms that it has made the *candidate* aware of their regulatory responsibilities as set out in the rules of conduct in the *FCA*'s *COCON* and/or *PRA* Rulebook: Large Non-Solvency II Firms – Conduct Standards (as applicable).

The applicant confirms that the Scope of Responsibilities⁷ submitted with this form accurately reflects the aspects of the affairs of the *firm* which it is intended that the *candidate* will be responsible for managing.

The applicant is aware that, while advice may be sought from a third party (e.g. legal advice), responsibility for the accuracy of information, as well as the disclosure of relevant information, on the Form is ultimately the responsibility of those who sign the application.

In signing this form on behalf of the *firm*:

I confirm that the information in this form is accurate and complete to the best of my knowledge and belief and that I have read the notes to this form.

I confirm that I have authority to make this application and provide the declarations given by the firm, and sign this form, on behalf of the *firm* identified in section 2.01 and/or each *firm* identified in section 3.04. I also confirm that a copy of this form, as submitted to the *FCA* and/or *PRA*, will be sent to each of those *firms* at the same time as submitting the form to the *FCA* and/or *PRA*.

7.03 Name of the *firm* submitting the application[†]

7.04 Name of *person* signing on behalf of the *firm*[†]

7.05 Job title[†]

7.06 Signature^{*}

Date[†]

⁷ This is not applicable for *candidates* for *controlled function* CF30 only.

^{*} The above question(s) appears on a paper form submission only. That question does not appear on an electronic form submission.

[†] The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7.4R- 15.7.9G or in the Large Non-Solvency II Firms – Senior Insurance Managers Regime - Applications and Notifications Part of the *PRA* Rulebook
Long Form A – Large non-directive insurers only: Application to perform controlled functions



BANK OF ENGLAND
PRUDENTIAL REGULATION
AUTHORITY



Short Form A – large non-directive insurers only⁸

Application to perform controlled functions

FCA Handbook Reference: SUP 10A Annex 4D

PRA Rulebook Reference: Large Non-Solvency II Firms – Senior Insurance Managers Regime – Applications and Notifications

⁸ Please see the definition of *large non-directive insurer* in PRA Rulebook: Glossary

[†] The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7.4R- 15.7.9G or in the Large Non-Solvency II Firms – Senior Insurance Managers Regime – Applications and Notifications Part of the PRA Rulebook

1.12 Phone number

3.01 Nature of the arrangement between the candidate and the applicant.

<i>a</i>	<i>Employee</i>	<input type="checkbox"/>
<hr/>		
<i>b</i>	<i>Group employee</i>	<input type="checkbox"/>
	Name of group	
<hr/>		
<i>c</i>	Contract for services	<input type="checkbox"/>
<hr/>		
<i>d</i>	<i>Partner</i>	<input type="checkbox"/>
<hr/>		
<i>e</i>	Other	<input type="checkbox"/>
	Give details	
<hr/>		

Proposed date of appointment

Length of appointment (if applicable)

† The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7.4R- 15.7.9G or in the Large Non-Solvency II Firms – Senior Insurance Managers Regime – Applications and Notifications Part of the PRA Rulebook
Short Form A – Large non-directive insurers only: Application to perform controlled functions

3.02 For applications from a single *firm*, please tick the boxes that correspond to the *controlled functions* to be performed. If the *controlled functions* are to be performed for more than one *firm*, please go to question **3.04**

Function	Description of a <i>controlled function</i>	Tick (if applicable)	Effective Date
SIMF 1	Chief Executive officer		
SIMF 2	Chief Finance function		
SIMF 4	Chief Risk officer		
SIMF 5	Head of Internal Audit		
SIMF 7	Group Entity Senior Insurance Manager		
SIMF 9	Chairman		
SIMF 10	Chair of the Risk Committee		
SIMF 11	Chair of the Audit Committee		
SIMF 12	Chair of the Remuneration Committee		
SIMF 14	Senior Independent Director		
SIMF 20	Chief Actuary		
SIMF21	With-profits Actuary		
SIMF22	Chief Underwriting Officer function		
CF 1	Director		
CF 2a	Chair of the Nomination Committee		
CF 2b	Chair of the With-Profits Committee		
CF 10	Compliance Oversight function		
CF 5	Director of unincorporated association function		
CF 6	Small friendly society function		
CF 10a	CASS Operational Oversight function		
CF 11	Money Laundering Reporting function		
CF 29	Significant Management function		
CF 30	Customer Function		

3.03 Job title

Insurance mediation

Will the candidate be responsible for Insurance mediation at the *firm*? YES NO

(Note: Yes can only be selected if the individual is applying for a governing function (other than *controlled functions* CF2a and CF2b) (MIPRU 2.2.2)).



I have supplied further information related to this page in Section 6[†] YES NO

[†] The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7.4R- 15.7.9G or in the Large Non-Solvency II Firms – Senior Insurance Managers Regime – Applications and Notifications Part of the PRA Rulebook

Parts 5.01 to 5.05.3 of this section have been removed. However if there has been a change to the detail in this section since your last approval, you must submit a Long Form A as opposed to a Short Form A informing the FCA and/or PRA of the revised detail.

5.05.4 Has the *firm* undertaken a criminal records check in accordance with the requirements of the *PRA*?

Please note that a *firm* is required to obtain the fullest information that it is lawfully able to obtain about the *candidate* under Part V of the Police Act 1997 (Certificates of Criminal records, etc) and related subordinated legislation of the *UK* or any part of the *UK* before making the application. (PRA Rulebook: Large Non-Solvency II Firms - Senior Insurance Managers Regime – Applications and Notifications)

If yes, please enter date the check was undertaken

Date (dd/mm/yy):

Note: if date is more than 3 months prior to current date or 3 months prior to date of application submission or the check has not been undertaken, please provide details why in section 6.

YES NO

5.05.5 For *PRA* functions only: Has / Have a reference or references been obtained from current and previous employer(s) in accordance with the requirements of the *PRA* as set out in Insurance- Fitness and Propriety 2.5.

If No, please provide details why the reference or references has/have not been obtained.

Please note that for candidates for PRA controlled functions, a firm is required to use reasonable efforts to obtain a reference from any previous employer of the candidate, or any organisation at which the candidate is or was a non-executive director during the last 5 years (see Insurance- Fitness and Propriety 2 in the PRA Rulebook).

YES NO



I have supplied further information related to this page in Section 6[†]

YES NO

[†] The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7.4R- 15.7.9G or in the Large Non-Solvency II Firms – Senior Insurance Managers Regime – Applications and Notifications Part of the PRA Rulebook

6.01

- If there is any other information the *candidate* or the *firm* considers to be relevant to the application, it must be included here.
- Please provide full details of
 - why the candidate is competent and capable to carry out the controlled function(s) applied for
 - why the appointment complements the firm's business strategy, activity and market in which it operates
 - how the appointment was agreed including details of any discussions at governing body level (where applicable)
- Provide a copy of the candidate's:-
 - Scope of Responsibilities with this form. This is not required for *candidates* for *controlled function* CF30 only.
 - Roles description
 - Curriculum Vitae (C.V.)
 - Organisational chart
- Please also include here any additional information indicated in previous sections of the Form.
- **Please include a list of all directorships currently or previously held by the *candidate* in the past 10 years (where *director* has the meaning given in the *Glossary*.)**
- If there is insufficient space, please continue on a separate sheet of paper and clearly identify the section and question to which the additional information relates.
- **Full details must be provided here if there were any issues that could affect the Fitness and Propriety of the individual that arose when leaving an employer listed in section 4 or if any question has been answered 'yes' in section 5.**

Question	Information

† The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7.4R- 15.7.9G or in the Large Non-Solvency II Firms – Senior Insurance Managers Regime – Applications and Notifications Part of the PRA Rulebook
 Short Form A – Large non-directive insurers only: Application to perform controlled functions

Declaration of *Candidate*

It is a criminal offence, knowingly or recklessly, to give the appropriate regulator information that is materially false, misleading or deceptive (see sections 398 and 400 Financial Services and Markets Act 2000). Even if you believe or know that information has been provided to the appropriate regulator before (whether as part of another application or otherwise) or is in the public domain, you must nonetheless disclose it clearly and fully in this form and as part of this application – you should not assume that the appropriate regulator will itself identify such information during the assessment of this application. If there is any doubt about the relevance of information, it should be included.

There will be a delay in processing the application if information is inaccurate or incomplete, and it may call into question the suitability of the *candidate* and/or lead to the appropriate regulator exercising its powers (including but not limited to taking disciplinary/ Enforcement action). You must notify the appropriate regulator immediately if there is a change to the information in this form and/or if inaccurate information has been provided (insofar as the appropriate regulator is reasonably likely to consider the information material).

The *candidate* confirms that the information provided in this application is accurate and complete to the best of his/her knowledge and that he or she has read the notes to this form. The *candidate* will notify the appropriate regulator immediately if there is a material change to the information provided.

The *candidate* confirms that the attached Scope of Responsibilities⁹ accurately reflects the aspects of the affairs of the firm which it is intended that the *candidate* will be responsible for managing. The *candidate* confirms that they have accepted all the responsibilities set out in this Scope of Responsibilities.

The *candidate* authorises the appropriate regulator to make such enquiries and seek such further information as it thinks appropriate to identify and verify information that it considers relevant to the assessment of this application.

The *candidate* acknowledges and agrees that these checks may include credit reference checks or information pertaining to fitness and propriety, and is aware that the results of these enquiries may be disclosed to the employer/Applicant.

The *candidate* agrees that he or she may be required to apply for a search to be made as to whether any criminal records are held in relation to him or her and to obtain a certificate (where such certificate can be obtained) and to disclose the result of that search to the firm submitting this application.

The *candidate* agrees that the *FCA* and/or *PRA* may use the address specified for the *candidate* in this form as the proper address for service in the United Kingdom as defined in Financial Services and Markets Act 2000 (Service of Notice) Regulations (SI 2001/1420) to serve any notices on that signatory.

For the purposes of complying with the Data Protection Act 1998, the personal information provided in this form will be used by the *FCA* and *PRA* to discharge their statutory functions under the Financial Services and Markets Act 2000 and other relevant legislation, and will not be disclosed for any other purpose without the permission of the applicant.

The *candidate* confirms that he or she understands the regulatory responsibilities of my proposed role as set out in the rules of conduct in the *FCA's COCON* and/or *PRA Rulebook: Large Non-Solvency II Firms – Conduct Standards* (as applicable).

The *candidate* is aware that, while advice may be sought from a third party (e.g. legal advice), responsibility for the accuracy of information, as well as the disclosure of relevant information, on the Form is ultimately the responsibility of those who sign the application.

In addition to other regulatory responsibilities, firms, and approved persons have a responsibility to disclose to the *FCA* and/or *PRA* matters of which it would reasonably expect to be notified. Failure to notify the appropriate regulator of such information may lead to the *FCA* and/or *PRA* taking disciplinary or other action against the firm and/or individuals.

Tick here to confirm you have read and understood this declaration: ∞

7.01 *Candidate's full name*[†]

7.02 Signature^{*}

Date[†]

⁹ This is not applicable to *candidates* for *controlled function* CF30 only.

^{*} The above question(s) appears on a paper form submission only. That question does not appear on an electronic form submission.

[†] The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7.4R- 15.7.9G or in the Large Non-Solvency II Firms – Senior Insurance Managers Regime – Applications and Notifications Part of the *PRA Rulebook*
Short Form A – Large non-directive insurers only: Application to perform controlled functions

Declaration of Firm

It is a criminal offence, knowingly or recklessly, to give the appropriate regulator information that is materially false, misleading or deceptive (see sections 398 and 400 Financial Services and Markets Act). Even if you believe or know that information has been provided to the appropriate regulator before (whether as part of another application or otherwise) or is in the public domain, you must nonetheless disclose it clearly and fully in this form and as part of this application – you should not assume that the appropriate regulator will itself identify such information during the assessment of this application. If there is any doubt about the relevance of information, it should be included.

There will be a delay in processing the application if information is inaccurate or incomplete, and it may lead to the appropriate regulator exercising its powers (including but not limited to taking disciplinary/ Enforcement action). You must notify the appropriate regulator immediately if there is a change to the information in this form and/or if inaccurate information has been provided (insofar as the appropriate regulator is reasonably likely to consider the information material).

In addition to other regulatory responsibilities, firms, and approved persons have a responsibility to disclose to the appropriate regulator, matters of which it would reasonably expect to be notified. Failure to notify the appropriate regulator of such information may lead to the appropriate regulator taking disciplinary or other action against the firm and/or individuals.

The applicant confirms that the information provided in this application is accurate and complete to the best of its knowledge and that it has read the notes to this form. The Applicant will notify the appropriate regulator immediately if there is a material change to the information provided.

The applicant authorises the appropriate regulator to make such enquiries and seek such further information as it thinks appropriate to identify and verify information that it considers relevant to the assessment of this application.

Where required under Section 5, the applicant confirms that it has obtained the fullest information that it is lawfully able to obtain about the Individual under Part V of the Police Act 1997 and any related subordinated legislation of the UK or any part of the UK, and has given due consideration to that information in determining that Individual to be fit and proper.

In making this application the *firm* believes on the basis of due and diligent enquiry and, where applicable, by reference to the criteria in FIT that the *candidate* is a fit and proper person to perform the controlled function(s) listed in section 3. The *firm* also believes, on the basis of due and diligent enquiry, that the candidate is competent to fulfil the duties required in the performance of such function(s).

The applicant confirms that it has complied with its obligations under Equality and Diversity legislation when selecting the Individual to perform the function(s) applied for.

The applicant confirms that it has made the *candidate* aware of their regulatory responsibilities as set out in the rules of conduct in the FCA's COCON and/or PRA Rulebook: Large Non-Solvency II Firms – Conduct Standards (as applicable).

The applicant confirms that the Scope of Responsibilities¹⁰ submitted with this form accurately reflects the aspects of the affairs of the *firm* which it is intended that the Candidate will be responsible for managing.

The applicant is aware that, while advice may be sought from a third party (e.g. legal advice), responsibility for the accuracy of information, as well as the disclosure of relevant information, on the form is ultimately the responsibility of those who sign the application.

In signing this form on behalf of the *firm*:

I confirm that the information in this form is accurate and complete to the best of my knowledge and belief and that I have read the notes to this form.

I confirm that I have authority to make this application and provide the declarations given by the *firm*, and sign this form, on behalf of the *firm* identified in section 2.01 and/or each *firm* identified in section 3.04. I also confirm that a copy of this form, as submitted to the FCA and/or PRA, will be sent to each of those *firms* at the same time as submitting the form to the FCA and/or PRA.

7.03 Name of the *firm* submitting the application[†]

7.04 Name of *person* signing on behalf of the *firm*[†]

¹⁰This is not applicable to *candidates* for *controlled function* CF30 only.

[†] The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7.4R- 15.7.9G or in the Large Non-Solvency II Firms – Senior Insurance Managers Regime – Applications and Notifications Part of the PRA Rulebook
Short Form A – Large non-directive insurers only: Application to perform controlled functions

7.05 Job title[†]

7.06 Signature^{*}

Date[†]

^{*} The above question(s) appears on a paper form submission only. That question does not appear on an electronic form submission.

[†] The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7.4R- 15.7.9G or in the Large Non-Solvency II Firms – Senior Insurance Managers Regime – Applications and Notifications Part of the PRA Rulebook
Short Form A – Large non-directive insurers only: Application to perform controlled functions



BANK OF ENGLAND
PRUDENTIAL REGULATION
AUTHORITY



Application number or IRN
(for FCA/PRA use only)

Large non-directive insurers¹¹: Scope of Responsibilities

For candidates for approval, this form **must** be submitted as an attachment to a Form A application or a Form E application

PRA Rulebook Reference: Large Non-Solvency II Firms – Senior Insurance Managers Regime – Applications and Notifications

Please note: this form does NOT need to be completed for candidates for *controlled function* CF30 only.

Name of *individual*[†]
(to be completed by *firm*)

Name of *firm*[†]
(as entered in 2.01)

Financial Conduct Authority
25 The North Colonnade
Canary Wharf
London E14 5HS
United Kingdom
Telephone +44 (0) 300 500 0597
E-mail iva@fca.org.uk
Website www.fca.org.uk
Registered as a Limited Company in England and
Wales No 1920623. Registered Office as above

Prudential Regulation Authority
20 Moorgate
London
EC2R 6DA
United Kingdom
Telephone +44 (0) 203 461 7000
Email PRA-ApprovedPersons@bankofengland.co.uk
Website www.bankofengland.co.uk/PRA
Registered as a Limited Company in England and Wales
No 07854923. Registered Office: 8 Lothbury Road,
London, EC2R 7HH

¹¹ Please see the definition of *large non-directive insurer* in PRA Rulebook: Glossary

Personal identifications details

Section 1

1.01 Individual Reference Number (IRN) †

1.02 Title
(e.g. Mr, Mrs, Ms, etc) †

1.03 Surname †

1.04 ALL forenames †

1.05 Date of birth
(dd/mm/yyyy) †

1.06 National Insurance number †

Firm identification details

Section 2

2.01 Name of *firm*

2.02 *Firm* Reference Number (FRN)

2.03 a Who should the *FCA/PRA* contact at the *firm* in relation to this scope of responsibilities?

b Position

c Telephone

d Fax

e E-mail



I have supplied further information related to this page in Section 4 † YES NO

A Scope of Responsibilities should be drafted to clearly show the responsibilities that the *candidate* is to perform as part of their *controlled function* and other relevant responsibilities and how they fit in with the *firm's* overall governance and management arrangements.

A Scope of Responsibilities should be drafted in such a way as to be practical and useable by regulators. The *FCA* and the *PRA* consider that this would be achieved by succinct, clear descriptions of each responsibility which avoid unnecessary detail. Firms have the opportunity to provide details of each responsibility allocated to an individual using the free text boxes in this form, however, the *PRA* and *FCA* would not usually expect the description of each responsibility to exceed 300 words.

A Scope of Responsibilities must be a self-contained document. There should be one document per Senior Insurance Management Function (SIMF) holder or Significant Influence Function (SIF) holder per firm. Where an individual performs a SIMF or SIF on behalf of more than one firm within a group, one Scope of Responsibilities is required for each firm. Any supplementary information may be provided in section 4 (or if submitting electronically, in a **single** attachment). A Scope of Responsibilities must not cross refer to or include other documents, attachments or links.

If the appropriate regulator considers that the Scope of Responsibilities is not sufficiently clear to be practical and usable, it could be challenged as part of a candidate's application for approval, or in ongoing supervision.

Details of the individual's responsibilities should be set out in sections 3.2 and 3.3, as appropriate:

- Section 3.2 covers those responsibilities required by regulators to be allocated to one or more controlled functions.
- Section 3.3 covers anything else, not otherwise included, for which a candidate is to be responsible.

3.1 Effective date and relevant Controlled Functions

3.1.1 Please state the effective date of this Scope of Responsibilities (dd/mm/yyyy):

3.1.2 List all SIMFs and SIFs which the *approved person* is to perform and the effective date the *person* commenced or will commence the performance of the functions. Please include those *FCA* functions that are included in a *PRA controlled function* under *PRA Rulebook: Large Non-Solvency II Firms: Senior Insurance Management Functions*.

Function	Description of a <i>controlled function</i>	Tick (if applicable)	Effective Date
SIMF 1	Chief Executive officer*		
SIMF 2	Chief Finance function*		
SIMF 4	Chief Risk officer*		
SIMF 5	Head of Internal Audit*		
SIMF 7	Group Entity Senior Insurance Manager		
SIMF 9	Chairman*		
SIMF 10	Chair of the Risk Committee*		
SIMF 11	Chair of the Audit Committee*		
SIMF 12	Chair of the Remuneration Committee*		
SIMF 14	Senior Independent Director*		
SIMF 20	Chief Actuary*		

† The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP15.7.4- 15.7.9G of the *FCA Handbook* and/or in the Large Non-Solvency II Firms – Senior Insurance Managers Regime – Applications and Notifications Part of the *PRA Rulebook* as applicable
 Large non-directive insurers– Scope of responsibilities

Function	Description of a <i>controlled function</i>	Tick (if applicable)	Effective Date
SIMF21	With-profits Actuary*		
SIMF22	Chief Underwriting Officer function		
CF 1	Director		
CF 2a	Chair of the Nomination Committee*		
CF 2b	Chair of the With-Profits Committee		
CF 5	Director of unincorporated association function		
CF 6	Small friendly society function		
CF 10	Compliance Oversight function*		
CF 10a	CASS Operational Oversight function		
CF 11	Money Laundering Reporting function*		
CF 29	Significant Management function		

Please note that for those roles asterisked above, this scope of responsibilities is considered to automatically include the existing legal and regulatory obligations for these roles. For example, certain specific responsibilities of a director are set out in company law. Such responsibilities do not need to be recorded in this statement, but any additional responsibilities should be recorded in the sections below.

3.2 PRA Prescribed Responsibilities

This section deals with those responsibilities required by PRA rules to be allocated to one or more controlled functions.

If the responsibilities that the *candidate* or a person performing SIMFs or SIFs is to carry out as described in the scope of responsibilities go beyond those set out in this section, those additional responsibilities should not reduce or alter the scope of the prescribed requirements set out in this section.

3.2.1 Please indicate below which of the responsibilities listed are/will be allocated to this individual. Where responsibilities are shared (for example, a responsibility may be shared as part of a job share or where departing and incoming controlled functions work together temporarily as part of a handover), please provide details.

If the individual has not been allocated a prescribed responsibility, please go to section 3.3.

Ref	Prescribed Responsibilities	Tick if applicable
1	Ensuring that the firm has complied with the obligation to ensure that every person who performs a key function is fit and proper	
	Is this responsibility shared with another SIMF or SIF? If 'yes' please provide further details in section 4.	
2	Leading the development of the <i>firm's</i> culture by the governing body as a whole	
	Is this responsibility shared with another SIMF or SIF? If 'yes' please provide further details in section 4.	
3	Overseeing the adoption of the <i>firm's</i> culture in its day-to-day management	
	Is this responsibility shared with another SIMF or SIF? If 'yes' please provide further details in section 4.	
4	Production and integrity of the <i>firm's</i> financial information and regulatory reporting	
	Is this responsibility shared with another SIMF or SIF? If 'yes' please provide further details in section 4.	
5	Management of the allocation and maintenance of the <i>firm's</i> capital and liquidity	
	Is this responsibility shared with another SIMF or SIF? If 'yes' please provide further details in section 4.	
6	Development and maintenance of the <i>firm's</i> business model by the governing body	
	Is this responsibility shared with another SIMF or SIF? If 'yes' please provide further details in section 4.	
7	Performance of the <i>firm's</i> Own Risk and Solvency Assessment (ORSA)	
	Is this responsibility shared with another SIMF or SIF? If 'yes' please provide further details in section 4.	
8	Policies and procedures for the induction, training and professional development for all members of the <i>firm's</i> governing body	
	Is this responsibility shared with another SIMF or SIF? If 'yes' please provide further details in section 4.	
9	Policies and procedures for the induction, training and professional development for all the <i>firm's</i> key function holders (other than members of the <i>firm's</i> governing body)	
	Is this responsibility shared with another SIMF or SIF? If 'yes' please provide further details in section 4.	
10	Oversight of the independence, autonomy and effectiveness of the whistleblowing policies and procedures, including those for the protection of staff	

† The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP15.7.4- 15.7.9G of the FCA Handbook and/or in the Large Non-Solvency II Firms – Senior Insurance Managers Regime – Applications and Notifications Part of the PRA Rulebook as applicable

Large non-directive insurers– Scope of responsibilities

Ref	Prescribed Responsibilities	Tick if applicable
	raising concerns	
	Is this responsibility shared with another SIMF or SIF? If 'yes' please provide further details in section 4.	
11	Oversight of the <i>firm's</i> remuneration policies and practices	
	Is this responsibility shared with another SIMF or SIF? If 'yes' please provide further details in section 4.	



I have supplied further information related to this page in Section 4[†]

YES

NO

[†] The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP15.7.4- 15.7.9G of the *FCA Handbook* and/or in the Large Non-Solvency II Firms – Senior Insurance Managers Regime – Applications and Notifications Part of the *PRA Rulebook* as applicable
Large non-directive insurers– Scope of responsibilities

3.2.2 If necessary, please provide additional information about each prescribed responsibility, including:

- a breakdown of the different components and tasks which the responsibility encompasses; and
- if applicable, details of any sharing arrangements including, if known, the name(s), IRN(s) and/or job title(s) of the individual(s) you are sharing this prescribed responsibility with. The responsibility should be recorded in the same way in the scope of responsibilities documents for each individual.

Additional information must be relevant, succinct and not dilute or undermine the prescribed responsibility.

Ref	Prescribed Responsibility	Further Relevant Details

† The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP15.7.4- 15.7.9G of the *FCA Handbook* and/or in the Large Non-Solvency II Firms – Senior Insurance Managers Regime – Applications and Notifications Part of the *PRA Rulebook* as applicable
Large non-directive insurers– Scope of responsibilities

3.3 Other Responsibilities

3.3.1 Please set out below anything else, not otherwise included in this statement, for which a candidate or SIMF or SIF is to be responsible as part of their *FCA* and/or *PRA* controlled function(s) or key function(s) role.

Responsibility		Yes/ No
	Is this responsibility shared with another SIMF or SIF If 'yes' please provide further details in section 4:	
	Is this responsibility divided with another SIMF or SIF i.e. are you responsible for part of this responsibility rather than all of it? If 'yes' please provide further details in section 4:	
Please provide a description of your responsibilities:		

→ I have supplied further information related to this page in Section 4[†] YES NO

[†] The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP15.7.4-15.7.9G of the *FCA Handbook* and/or in the Large Non-Solvency II Firms – Senior Insurance Managers Regime – Applications and Notifications Part of the *PRA Rulebook* as applicable
 Large non-directive insurers– Scope of responsibilities

4.1 Is there any other information the *individual* or the *firm* considers to be relevant?

YES NO

If yes, please provide details below or on a separate sheet of paper and clearly identify the section and question to which the additional information relates.

Question	Information

4.2 How many additional sheets are being submitted?

† The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP15.7.4-15.7.9G of the *FCA Handbook* and/or in the Large Non-Solvency II Firms – Senior Insurance Managers Regime – Applications and Notifications Part of the *PRA Rulebook* as applicable
 Large non-directive insurers– Scope of responsibilities



BANK OF ENGLAND
PRUDENTIAL REGULATION
AUTHORITY



Form E

Internal transfer of an approved person (for large non-directive insurers only¹²)

FCA Handbook Reference: SUP 10A Annex 8D

PRA Rulebook Reference: Large Non-Solvency II Firms – Senior Insurance Managers Regime – Applications and Notifications

¹² Please see the definition of *large non-directive insurer* in PRA Rulebook: Glossary

[†] The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7.4R- 15.7.9G or in the Large Non-Solvency II Firms – Senior Insurance Managers Regime - Applications and Notifications Part of the *PRA Rulebook*
Form E – Internal transfer of an approved person (for large non-directive insurers only)

1.12

Phone number

[†] The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7.4R- 15.7.9G or in the Large Non-Solvency II Firms – Senior Insurance Managers Regime - Applications and Notifications Part of the *PRA Rulebook*
Form E – Internal transfer of an approved person (for large non-directive insurers only)

4.01 Nature of the arrangement between the candidate and the applicant.

<i>a</i>	<i>Employee</i>	<input type="checkbox"/>
<hr/>		
<i>b</i>	<i>Group employee</i>	<input type="checkbox"/>
<hr/>		
	Name of group	<div style="background-color: #cccccc; width: 100%; height: 15px;"></div>
<hr/>		
<i>c</i>	Contract for services	<input type="checkbox"/>
<hr/>		
<i>d</i>	<i>Partner</i>	<input type="checkbox"/>
<hr/>		
<i>e</i>	Other	<input type="checkbox"/>
	Give details	<div style="background-color: #cccccc; width: 100%; height: 15px;"></div>
<hr/>		

Proposed date of appointment

Length of appointment (if applicable)

[†] The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7.4R- 15.7.9G or in the Large Non-Solvency II Firms – Senior Insurance Managers Regime - Applications and Notifications Part of the *PRA Rulebook*
 Form E – Internal transfer of an approved person (for large non-directive insurers only)

4.02 For applications from a single *firm*, please tick the boxes that correspond to the *controlled functions* to be performed.

If the *controlled functions* are to be performed for more than one *firm*, please go to question 4.04.

Function	Description of a <i>controlled function</i>	Tick (if applicable)	Effective Date
SIMF 1	Chief Executive officer		
SIMF 2	Chief Finance function		
SIMF 4	Chief Risk officer		
SIMF 5	Head of Internal Audit		
SIMF 7	Group Entity Senior Insurance Manager		
SIMF 9	Chairman		
SIMF 10	Chair of the Risk Committee		
SIMF 11	Chair of the Audit Committee		
SIMF 12	Chair of the Remuneration Committee		
SIMF 14	Senior Independent Director		
SIMF 20	Chief Actuary		
SIMF21	With-profits Actuary		
SIMF22	Chief Underwriting Officer function		
CF 1	Director		
CF 2a	Chair of the Nomination Committee		
CF 2b	Chair of the With-Profits Committee		
CF 5	Director of unincorporated association function		
CF 6	Small friendly society function		
CF 10	Compliance Oversight function		
CF 10a	CASS Operational Oversight function		
CF 11	Money Laundering Reporting function		
CF 29	Significant Management function		
CF 30	Customer Function		

[†] The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7.4R- 15.7.9G or in the Large Non-Solvency II Firms – Senior Insurance Managers Regime - Applications and Notifications Part of the *PRA Rulebook*
Form E – Internal transfer of an approved person (for large non-directive insurers only)

4.03 Job title

Insurance mediation

Will the *candidate* be responsible for Insurance mediation at the firm?

YES

NO

(Note: Yes can only be selected if the individual is applying for a governing function (other than *controlled functions* CF2a and CF2b) (MIPRU 2.2.2))



I have supplied further information related to this page in Section 5[†]

YES

NO

[†] The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7.4R- 15.7.9G or in the Large Non-Solvency II Firms – Senior Insurance Managers Regime - Applications and Notifications Part of the *PRA Rulebook*
Form E – Internal transfer of an approved person (for large non-directive insurers only)

- 5.01**
- If there is any other information the *candidate* or the *firm* considers to be relevant to the application, it must be included here.
 - Please provide full details of
 - why the *candidate* is competent and capable to carry out the controlled function(s) applied for
 - why the appointment complements the firm's business strategy, activity and market in which it operates
 - how the appointment was agreed including details of any discussions at governing body level (where applicable)
 - Provide a copy of the candidate's:-
 - Scope of Responsibilities with this form. This is not required for *candidates* for *controlled function* CF30 only.
 - Roles description
 - Curriculum Vitae (C.V.)
 - Organisational chart

Question	Information

† The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7.4R- 15.7.9G or in the Large Non-Solvency II Firms – Senior Insurance Managers Regime - Applications and Notifications Part of the *PRA Rulebook*
 Form E – Internal transfer of an approved person (for large non-directive insurers only)

Declaration of Candidate

Knowingly or recklessly giving the *FCA* and/or *PRA* information which is false or misleading in a material particular may be a criminal offence (section 398 of the Financial Services and Markets Act 2000). It should not be assumed that information is known to the *FCA* and/or *PRA* merely because it is in the public domain or has previously been disclosed to the *FCA* and/or *PRA* or another regulatory body. If there is any doubt about the relevance of information, it should be included.

In addition to other regulatory responsibilities, firms, senior managers and other approved persons have a responsibility to disclose to the *FCA* and/or *PRA* matters of which it would reasonably expect to be notified. Failure to notify the *FCA* and/or *PRA* of such information may lead to the *FCA* and/or *PRA* taking disciplinary or other action against the firm and/or individuals.

For the purposes of complying with the Data Protection Act 1998, the personal information provided in this form will be used by the *FCA* and *PRA* to discharge their statutory functions under the Financial Services and Markets Act 2000 and other relevant legislation, and will not be disclosed for any other purpose without the permission of the applicant.

With reference to the above, the *FCA* and/or *PRA* may seek to verify the information given in this form including answers pertaining to fitness and propriety. This may include a credit reference check. In signing the form below:

a) I authorise the *FCA* and/or *PRA* to make such enquiries and seek such further information as it thinks appropriate in the course of verifying the information given in this Form. *Candidates* may be required to apply for a criminal records search to be made as to whether any criminal records are held in relation to them and to obtain a certificate (where such certificate can be obtained) and to disclose the result of that search to the *firm* submitting this application.

b) I confirm that the information in this form is accurate and complete to the best of my knowledge and belief and that I have read the notes to this form. I confirm that the attached Scope of Responsibilities¹³ accurately reflects the aspects of the affairs of the *firm* which it is intended that I will be responsible for managing. I confirm that I have accepted all the responsibilities set out in this Scope of Responsibilities.

c) I confirm that I understand the regulatory responsibilities of my proposed role as set out in the rules of conduct in the *FCA*'s Conduct Rules (*COCOM*) and/or *PRA Rulebook: Large Non-Solvency II Firms – Conduct Standards* (as applicable).

Tick here to confirm you have read and understood this declaration:

6.01 Candidate's full name[†]

6.02 Signature^{*}

Date[†]

¹³ This is not applicable to candidates for *controlled function* CF30 only.

^{*} The above question(s) appears on a paper form submission only. That question does not appear on an electronic form submission.

[†] The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7.4R- 15.7.9G or in the Large Non-Solvency II Firms – Senior Insurance Managers Regime - Applications and Notifications Part of the *PRA Rulebook*
Form E – Internal transfer of an approved person (for large non-directive insurers only)

Declaration of *Firm*

Knowingly or recklessly giving the *FCA* and/or *PRA* information which is false or misleading in a material particular may be a criminal offence (sections 398 and 400 of the Financial Services and Markets Act 2000). *SUP* 15.6.1R and *SUP* 15.6.4R of the *FCA Handbook* and Notification 6 of the *PRA Rulebook* require an *authorised person* to take reasonable steps to ensure the accuracy and completeness of information given to the *FCA* and/or *PRA* and to notify the *FCA* and/or *PRA* immediately if materially inaccurate information has been provided.

In addition to other regulatory responsibilities, firms, senior managers and other approved persons have a responsibility to disclose to the *FCA* and/or *PRA* matters of which it would reasonably expect to be notified. Failure to notify the *FCA* and/or *PRA* of such information may lead to the *FCA* and/or *PRA* taking disciplinary or other action against the firm and/or individuals.

It should not be assumed that information is known to the *FCA* and/or *PRA* merely because it is in the public domain or has previously been disclosed to the *FCA* and/or *PRA* or another regulatory body. If there is any doubt about the relevance of information, it should be included.

In making this application the *firm* believes on the basis of due and diligent enquiry and, where applicable, by reference to the criteria in FIT that the candidate is a fit and proper person to perform the controlled function(s) listed in section 3. The firm also believes, on the basis of due and diligent enquiry, that the candidate is competent to fulfil the duties required in the performance of such function(s).

IF UNDERTAKING ANY NON MiFID BUSINESS FOR WHICH THE FIRM HAS NOT PREVIOUSLY APPLIED FOR AUTHORISATION, PLEASE ALSO COMPLETE THE FOLLOWING

The *firm* also believes, on the basis of due and diligent enquiry, that the *candidate* is competent to fulfil the duties required of such function(s). YES NO

Where applicable, the *firm* confirms that it has had sight of a criminal records certificate prepared within the past 3 months in relation to the Individual and has given due consideration to the information contained in that certificate in determining that Individual to be fit and proper. Alternatively, where a certificate is not obtained the *firm* has provided an explanation in section 5.

In signing this form on behalf of the *firm*:

a) I confirm that the information in this form is accurate and complete to the best of my knowledge and belief and that I have read the notes to this form.

b) I confirm that I have authority to make this application and provide the declarations given by the *firm*, and sign this form, on behalf of the *firm* identified in section 2.01 and/or each firm identified in section 4.04. I also confirm that a copy of this form, as submitted to the *FCA* and/or *PRA*, will be sent to each of those firms at the same time as submitting the Form to the *FCA* and/or *PRA*.

c) I confirm the *candidate* has been made aware of the regulatory responsibilities of the proposed role as set out in the rules of conduct in the *FCA's* Conduct Rules (*COCOM*) and/or *PRA Rulebook: Large Non-Solvency II Firms – Conduct Standards* (as applicable).

d) I confirm that that the Scope of Responsibility submitted with this form accurately reflects the aspects of the affairs of the *firm* which it is intended that the *candidate* will be responsible for managing.¹⁴

6.03 Name of the *firm* submitting the application[†]

6.04 Name of *person* signing on behalf of the *firm*[†]

6.05 Job title[†]

6.06 Signature^{*}

Date[†]

¹⁴ This is not applicable to candidates for *controlled function* CF30 only.

^{*} The above question(s) appears on a paper form submission only. That question does not appear on an electronic form submission.

[†] The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in *SUP* 15.7.4R- 15.7.9G or in the Large Non-Solvency II Firms – Senior Insurance Managers Regime - Applications and Notifications Part of the *PRA Rulebook*



PUB REF: 005111

© Financial Conduct Authority 2015
25 The North Colonnade Canary Wharf
London E14 5HS
Telephone: +44 (0)20 7066 1000
Website: www.fca.org.uk
All rights reserved