

## Guidance Consultation 18/4 - Senior Managers and Certification Regime: Proposed guidance on statements of responsibilities and responsibilities maps for FCA firms

10 December 2018

### About us

UK Finance represents more than 250 of the leading firms providing finance, banking, markets and payments related services in or from the UK. UK Finance was created by combining most of the activities of the Asset Based Finance Association, the British Bankers' Association, the Council of Mortgage Lenders, Financial Fraud Action UK, Payments UK and the UK Cards Association. Our members are large and small, national and regional, domestic and international, corporate and mutual, retail and wholesale, physical and virtual, banks and non-banks. Our members' customers are individuals, corporates, charities, clubs, associations and government bodies, served domestically and cross-border. These customers access a wide range of financial and advisory products and services, essential to their day-to-day activities. The interests of our members' customers are at the heart of our work.

AFME represents a broad array of European and global participants in the wholesale financial markets. Its members comprise pan-EU and global banks as well as key regional banks, brokers, law firms, investors and other financial market participants. We advocate stable, competitive, sustainable European financial markets that support economic growth and benefit society. AFME is the European member of the Global Financial Markets Association (GFMA) a global alliance with the Securities Industry and Financial Markets Association (SIFMA) in the US, and the Asia Securities Industry and Financial Markets Association (ASIFMA) in Asia. AFME is listed on the EU Register of Interest Representatives, registration number 65110063986-76.

### Overview

On behalf of our members, the Associations are pleased to respond to the FCA's guidance consultation on statements of responsibilities and responsibilities maps<sup>1</sup> and welcome the attempt to clarify how our firms should consider approaching these aspects of the Senior Manager and Certification Regime.

The Associations and our members feel that it is helpful to have this Guidance and example documents from the FCA, as it clarifies expectations and removes some of the guesswork for firms about how material should be presented, especially on responsibilities maps where there is currently limited guidance on what is expected.

### Concerns

The Associations believe that there are some aspects of the guidance that seem to go beyond setting out the FCA's expectations of how material should be presented. There are a few areas where the FCA

<sup>1</sup> <https://www.fca.org.uk/publication/guidance-consultation/gc18-04.pdf>

appears to be setting expectations on how firms should be allocating responsibilities and organising themselves. This potentially creates a problem for firms as it goes beyond what the FCA Handbook has written and may be perceived to extend requirements into new areas which had been explicitly ruled out in earlier policy documents.

One notable example of this is in the Statements of Responsibilities (SoR) for Core and Limited Firms. While the FCA has explicitly carved out the requirement to allocate 'Overall responsibility' for these firm categories, and that section is removed from SoRs for those firms, the FCA example suggests that information about an individual's overall responsibilities should instead be provided in the 'Other responsibilities' section of the SoR. That is to say, the proposed content in the 'Other responsibilities' section for Core or Limited Firms is the same as in the 'Overall responsibilities' section for an Enhanced firm. The Associations are concerned that the FCA may inadvertently be imposing requirements through Guidance that have been dis-applied in Policy Statements and rules made by the FCA Board.

Material covering how firms should be allocating responsibilities should be incorporated into Handbook rules, rather than through separate Guidance documents of this nature. The purpose of this Guidance Consultation should be to focus on how the FCA expects material to be presented in SoRs and responsibilities maps, in particular through examples of good and bad documents which cannot be easily incorporated into the Handbook format, and not the introduction of new regulation.

## Clarity

The Associations would also like to highlight that there appear to be some places, especially in the example Maps, where comments have been colour coded as blue which suggests good practice according to the key on page 4, however, the content of the comment makes clear that it is talking about poor practice.

## Conclusion

The Associations are widely supportive of the FCA providing Guidance to assist firms in creating and maintaining SoRs and responsibilities maps but would like to ensure that statements communicating Policy or Supervisory expectation are kept to the appropriate publications and do not effectively introduce new regulation.

We hope you find our response helpful and would be happy to discuss any of the points raised in further detail.

## Responsible Executives

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