EXTENSION OF THE SENIOR MANAGERS AND CERTIFICATION REGIME



8 STEPS TO GET YOUR FCA AUTHORISED SOLO-REGULATED FIRM COMPLIANT

I. DETERMINE THE RELEVANT CATEGORY FOR YOUR FIRM

Solo FCA regulated firms will need to firstly establish whether they are classed as 'limited', 'core' or 'enhanced' under the SMCR, as this will impact on the rules applicable and processes to be completed.

2. IDENTIFY SENIOR MANAGEMENT FUNCTIONS AND ALLOCATE RESPONSIBILITIES

Firms must consider who will be undertaking Senior Management Functions ("SMF"). In nearly all cases FCA approved persons carrying out controlled functions will convert into SMFs. For core and enhanced firms under the SMCR, prescribed responsibilities will need to be allocated amongst Senior Managers.

3. DRAFT RESPONSIBILITIES MAP AND STATEMENTS OF RESPONSIBILITIES

Firms will need to draft statements of responsibilities allocated to an individual. For firms with 'enhanced' classification it will also be necessary to draft responsibility maps and handover requirements. It will likely be necessary to create new internal policies under the SMCR.

4. IDENTIFY CERTIFICATION FUNCTIONS AND IMPLEMENT CERTIFICATION REGIME

Firms must identify anyone performing certification functions as they will be subject to the certification regime and its various requirements. On an annual basis the firm will be required to certify these individuals are fit and proper to undertake their role.



5. PREPARE REGULATORY SUBMISSIONS AND APPLICATIONS

These include new applications for approval for new Senior Managers, and notifications for any FCA controlled functions which are converting into Senior Managers.

6. UPDATE HR AND COMPLIANCE PROCESSES

Firms will need to update their processes to ensure that they are compliant with the new regulations. There are also compliance rules to be embedded on notifying the regulator about conduct rule breaches.

7. MAKE UPDATES FOR CONDUCT RULE CHANGES

Individuals will become subject to conduct rules as a result of SMCR, so firms may need to update their policies and employment documentation. Staff training on the changes will also be required.

8. PREPARE FOR THE INTRODUCTION OF THE STATUTORY DUTY OF RESPONSIBILITY

This may include providing training to individuals with Senior Managers and updating the firm's employment documentation.



The SMCR extension will take effect on 9 December 2019, though certain other requirements may not come into effect until a year after this date.

For more information on SMCR compliance please visit collyerbristow.com or email SMCR@collyerbristow.com.