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Chapter 12 Summary: Requirements for Firms with Interim Permission for Credit-Related Regulated Activities

# Overview

This chapter establishes rules for firms operating with interim permissions for credit-related regulated activities. It specifies which provisions of the FCA Handbook apply, which are disapplied, and which are modified for these firms during their interim permission period.

# Key Points and Main Findings

## Scope and Application

* Applies to: All firms with interim permission status
* Purpose: To clarify regulatory requirements during the interim permission period
* Effective date: Rules relate to interim permissions granted on/after April 1, 2014

## Major Regulatory Modifications

### Disapplied Requirements:

* Senior Management (SYSC):  
    
  No requirement to appoint compliance officer (debt management/credit repair firms)  
  Anti-money laundering systems and controls exemption  
  Money laundering reporting officer appointment not required
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* Supervision (SUP):  
    
  Auditors, FCA Approved persons, and Appointed representatives rules don't apply  
  Exception: SUP3.10 and SUP3.11 apply for electronic lending systems
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* Client Assets (CASS):  
    
  Does not apply if firms follow OFT366rev guidance (paragraphs 3.42-3.43)
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* Reporting Requirements:  
    
  SUP16 largely doesn't apply except for SUP16.14  
  Complaints reporting rules (DISP1.10 and DISP1.10A) don't apply
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* Complaints reporting rules (DISP1.10 and DISP1.10A) don't apply
* Prudential Requirements:  
    
  CONC10 (Prudential requirements for debt management firms) doesn't apply
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Senior Management (SYSC):

* No requirement to appoint compliance officer (debt management/credit repair firms)
* Anti-money laundering systems and controls exemption
* Money laundering reporting officer appointment not required

Supervision (SUP):

* Auditors, FCA Approved persons, and Appointed representatives rules don't apply
* Exception: SUP3.10 and SUP3.11 apply for electronic lending systems

Client Assets (CASS):

* Does not apply if firms follow OFT366rev guidance (paragraphs 3.42-3.43)

Reporting Requirements:

* SUP16 largely doesn't apply except for SUP16.14
* Complaints reporting rules (DISP1.10 and DISP1.10A) don't apply

Prudential Requirements:

* CONC10 (Prudential requirements for debt management firms) doesn't apply

### Modified Requirements:

* Fees: Limited application of Fees manual
* Threshold Conditions: Apply with modifications reflecting the 2013 Order
* Change Notifications: Must use online Consumer Credit Interim Permissions system
* Perimeter Guidance: Modified to accommodate interim permission activities

# Important Details and Conclusions

## Legal Framework

* Interim permissions derive from the Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) (No 2) Order 2013
* Firms with interim permission have limited status - not considered full authorized persons for certain purposes
* The FCA/PRA retain powers to vary or cancel permissions if threshold conditions aren't met

## Practical Implications

* Firms with only interim permissions face reduced regulatory burden during transition
* Firms must use specific online systems for notifications and changes
* Different rules apply depending on whether a firm has:  
    
  Only an interim permission  
  An interim permission treated as a variation of existing permission
* Only an interim permission
* An interim permission treated as a variation of existing permission
* Only an interim permission
* An interim permission treated as a variation of existing permission

## Transition Considerations

* Applications for full Part 4A permission may incorporate activities under interim permission
* Firms cannot act as principals for activities under interim permission but may be appointed representatives for other activities