

Chapter 4

General organisational requirements

4.3 Responsibility of senior personnel

- 4.3.1** **R** *A firm (with the exception of a common platform firm and a sole trader who does not employ any person who is required to be approved under section 59 of the Act (Approval for particular arrangements)), when allocating functions internally, must ensure that senior personnel and, where appropriate, the supervisory function, are responsible for ensuring that the firm complies with its obligations under the regulatory system. In particular, senior personnel and, where appropriate, the supervisory function must assess and periodically review the effectiveness of the policies, arrangements and procedures put in place to comply with the firm's obligations under the regulatory system and take appropriate measures to address any deficiencies.*
[Note: articles 9(1) and 9(3) of the UCITS implementing Directive]
- 4.3.2** **R** *A firm that is a management company or an operator of an electronic system in relation to lending must ensure that:*
- (1) its senior personnel receive on a frequent basis, and at least annually, written reports on the matters covered by ■ SYSC 6.1.2 R to ■ 6.1.5 R, ■ SYSC 6.2.1 R, ■ SYSC 7.1.2 R, ■ SYSC 7.1.3 R and ■ SYSC 7.1.5 R to ■ 7.1.7 R, indicating in particular whether the appropriate remedial measures have been taken in the event of any deficiencies; and
 - (2) the supervisory function, if any, receives on a regular basis written reports on the same matters.
- [Note: articles 9(4) and 9(6) of the UCITS implementing Directive]
- 4.3.2A** **G** *Other firms should take account of the written reports rule (■ SYSC 4.3.2 R) as if it were guidance (and as if "should" appeared in that rule instead of "must") as explained in ■ SYSC 1 Annex 1 3.3 R(1).*
- 4.3.3** **G** *The supervisory function does not include a general meeting of the shareholders of a firm, or equivalent bodies, but could involve, for example, a separate supervisory board within a two-tier board structure or the establishment of a non-executive committee of a single-tier board structure.*
- 4.3.4** **G** [deleted]