

## Chapter 26

# Senior managers and certification regime: Overall and local responsibility



26.8      **Meaning of local and overall responsibility: Not reporting to the governing body**

**Scope of this section**

26.8.1      **G**      This section relates to the allocation of overall or local responsibility for any activities, business areas and functions of the *firm* which are not under the management of its *governing body* (see ■ SYSC 26.3 (Main rules)).

**Branches: Responsibility held outside the management structure of branch**

26.8.2      **G**      A *person* having local responsibility for a function for a *branch* does not need to be part of the management structure of the *branch* in order to have local responsibility for the function.

**Branches: Setting overall strategy for a branch**

26.8.3      **G**      (1) Generally, where a an *overseas SMCR firm* allocates responsibility as described in ■ SYSC 26.8.1G to one of the *firm's SMF managers* who is not based in the *branch* the *FCA* would expect:

                 (a) that the responsibility would not be allocated to a manager whose responsibilities for the *branch* are limited to setting overall strategy for the *branch*; and

                 (b) that, instead, the *firm* would allocate it to a manager who is the most senior *person* responsible for implementing the strategy for the *branch*.

(2) See ■ SUP 10C.1.5AG for more about how the difference between strategic and implementing responsibilities affects the *FCA* senior managers regime for *approved persons* in *overseas SMCR firms*.

**Branches: Seniority**

26.8.4      **G**      (1) In some cases, a *person* who has local responsibility for a particular function may be very senior within the *firm* as a whole.

(2) For instance, in some *branches*, an individual with local responsibility for a function may also be the head of the *firm's* Europe and Middle East division for a business line and may be more senior within the *firm* as a whole than the *person* performing the *PRA's* Head of Overseas Branch *designated senior management function*.

<b>UK firms</b>	
26.8.5	<div>G</div> Having overall responsibility for a function as described in ■ SYSC 26.8.1G for a <i>UK SMCR firm</i> means being the most senior employee or officer (under the <i>chief executive</i> if there is one) responsible for managing or supervising that function.