

## Chapter 27

# Senior managers and certification regime: Certification regime



27.7 Specification of functions

General requirements

- 27.7.1
- R
- In accordance with section 63E of the *Act* (Certification of employees by authorised persons), a function is an *FCA certification function* only if, in relation to the carrying on of a *regulated activity* by a *firm*, that function:

(1)

is not a *controlled function* in relation to the carrying on of that *regulated activity* by that *firm*; and

(2)

will require the *person* performing it to be involved in one or more aspects of the *firm's* affairs, so far as relating to that *regulated activity*.

Scope: FCA certification functions

- 27.7.2
- R
- In accordance with section 63E(3) of the *Act*, the functions in the table in ■ SYSC 27.7.3R are *FCA certification functions*.

- 27.7.3
- R
- Table: FCA certification functions

Function	Where defined
(1) CASS oversight	SYSC 27.8.1R
(2) Proprietary trader	SYSC 27.8.3R
(3) Significant management	SYSC 27.8.4R
(4) Functions requiring qualifications	SYSC 27.8.10R
(5) Managers of certification employees	SYSC 27.8.13R
(6) Material risk takers	SYSC 27.8.14R
(7) Client-dealing	SYSC 27.8.18R
(8) Algorithmic trading	SYSC 27.8.23R

- 27.7.4
- G
- (1)

If a function falls into more than one of the *FCA certification functions* in the table in ■ SYSC 27.7.3R, all of those *FCA certification functions* apply to it.

(2)

For example, if a *person's* job involves both *FCA certification function* (4) (functions requiring qualifications) and (6) (material risk takers), the emergency appointments *rule* (■ SYSC 27.5.1R) does not apply to that job.

- (3) Another example is the *rule* about the territorial scope of this section (■ SYSC 27.3.1R)) for a *UK SMCR firm*. For example, if a *person's* job involves both *FCA certification function* (4) (functions requiring qualifications) and (6) (material risk takers), the territorial restriction in that *rule* does not apply to that job. Instead, this chapter applies without any territorial limitation.
- (4) The reason for (3) is that ■ SYSC 27.3.1R(3) says that there is no territorial limitation on *FCA certification function* (6) for a *UK SMCR firm*. As explained in (1), it does not matter that the job also involves *FCA certification function* (4), to which the territorial limitation does apply.

Overlap with designated senior management functions

27.7.5

G

- (1) ■ SYSC 27.7.1R(1) means that an *FCA-designated senior management function* cannot also be an *FCA certification function* at the same time.
- (2) So an *SMF manager* performing an activity that forms part of their *FCA-designated senior management function* is not, by performing that activity, also performing an *FCA certification function*.
- (3) But if an *FCA-designated senior management function* does not apply to a *firm*, performing the function described in the definition of that *FCA-designated senior management function* can be an *FCA certification function*.
- (4) See ■ SYSC 27.8.7AG for an example of this.