

## Chapter 2

# Senior management arrangements

## 2.1 Apportionment of Responsibilities

- 2.1.1** **R** A *firm* must take reasonable care to maintain a clear and appropriate apportionment of significant responsibilities among its *directors* and *senior managers* in such a way that:
- (1) it is clear who has which of those responsibilities; and
  - (2) the business and affairs of the *firm* can be adequately monitored and controlled by the *directors*, relevant *senior managers* and *governing body* of the *firm*.
- 2.1.1A** **G** *Firms* should also consider the additional *guidance* on risk-centric governance arrangements for effective risk management contained in ■ SYSC 21.
- 2.1.2** **G** The role undertaken by a *non-executive director* will vary from one *firm* to another. For example, the role of a *non-executive director* in a *friendly society* may be more extensive than in other *firms*. Where a *non-executive director* is an *approved person*, for example where the *firm* is a *body corporate*, his responsibility and therefore liability will be limited by the role that he undertakes.
- 2.1.3** **R** [deleted]
- 2.1.3A** **R** [deleted]
- 2.1.3B** **G** [deleted]
- 2.1.3C** **R** [deleted]
- 2.1.3D** **G** [deleted]
- 2.1.4** **R** [deleted]
- 2.1.5** **G** [deleted]
- 2.1.6** **G** [deleted]

**2.1.6A**

**R**

**Insurance distribution activities**

A firm carrying on *insurance distribution activities* must allocate to a *senior manager* the function of ensuring the proper implementation of the policies and procedures approved in accordance with ■ SYSC 3.1.11R.

[Note: second paragraph of article 10(8) of the *IDD*]

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