

Chapter 25

Senior managers and
certification regime:
Management responsibilities
maps and handover
procedures and material



25.9 Handover procedures and material

Application

- 25.9.1** **R** This section applies to a *firm* that meets the following conditions:
- (1) it falls within ■ SYSC 25.1.1R (Application and purpose); and
 - (2) it falls within one of the following categories:
 - (a) it is a *UK SMCR firm*; or
 - (b) it is an *overseas SMCR banking firm*.

- 25.9.2** **R** For *overseas SMCR banking firms*, references in this section to an *SMF manager* are references to the *SMF manager* when acting as an *SMF manager* for the *firm's branch* in the *United Kingdom*.

- 25.9.3** **R** This section does not apply to a *full-scope UK AIFM* in relation to its *managing an AIF*.

Rules about handover material

- 25.9.4** **R** A *firm* must take all reasonable steps to ensure that:
- (1) a *person* who is becoming an *SMF manager*;
 - (2) an *SMF manager*:
 - (a) taking on a new job or new responsibilities; or
 - (b) whose responsibilities or job are being changed; and
 - (3) anyone who has management or supervisory responsibilities for the *SMF manager* in (1) or (2);

has, when the *SMF manager* starts to perform their new or revised responsibilities or job, all information and material that a *person* in (1) to (3) could reasonably expect to have to perform those responsibilities or that job effectively and in accordance with the requirements of the *regulatory system*.

- 25.9.5** **R** (1) A *firm* must have a policy about how it complies with ■ SYSC 25.9.4R, including the systems and controls it uses.

- 25.9.6

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(2) A *firm* must make and maintain adequate records of the steps taken to comply with ■ SYSC 25.9.4R.

The information and material in ■ SYSC 25.9.4R that should be made available includes details:

(1) about unresolved or possible breaches of the requirements of the *regulatory system*; and

(2) of any unresolved concerns expressed by the *FCA*, the *PRA* or another *regulatory body*.

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(1) The main purpose of ■ SYSC 25.9.4R is to help the *SMF manager* with their new or revised responsibilities or job and to help the managers of *SMF managers*.

(2) The information and material should be practical and helpful and not just a record.

(3) The material should include an assessment of what issues should be prioritised.

(4) The information and material should include judgement and opinion, not just facts and figures.

Handover arrangements and certificates

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(1) Where the responsibilities or job in ■ SYSC 25.9.4R are being taken over from another *person*, the *firm* should have arrangements for an orderly transition.

(2) As part of these arrangements, the *firm* should take reasonable steps to ensure that the predecessor contributes to the information and material in ■ SYSC 25.9.4R all that would be reasonable to expect the predecessor to know and consider relevant, including the predecessor's opinions.

(3) One way of doing this could be for the predecessor to prepare a handover certificate.

(4) However, the *FCA* accepts that there will be cases in which it will be impractical to ask the predecessor to prepare a handover certificate.

Application of this section to other parts of a firm's management

- 25.9.9

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A *firm* should consider whether to apply the procedures in this section to other parts of its management.