

Bank of England

Prudential Regulation Authority

Appendices to Moving Senior Managers Regime forms from the PRA Rulebook

Consultation Paper | CP2/23

January 2023



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1: Draft Rulebook instrument

This is a draft Instrument to accompany CP 2/23 'Moving the Senior Managers Regime forms from the PRA Rulebook'.

PRA RULEBOOK: CRR FIRMS, NON CRR FIRMS, SOLVENCY II FIRMS, NON SOLVENCY II FIRMS: SENIOR MANAGER REGIME FORMS INSTRUMENT 2023

Powers exercised

- A. The Prudential Regulation Authority ("PRA") makes this instrument in the exercise of the following powers and related provisions in the Financial Services and Markets Act 2000 ("the Act"):
- (1) section 137G (The PRA's general rules);
 - (2) section 60 (Applications for approval);
 - (3) section 62A (Changes in responsibilities of senior managers);
 - (4) section 63ZA (Variation of senior manager's approval at request of relevant authorised person); and
 - (5) section 137T (General supplementary powers).
- B. The rule-making powers referred to above are specified for the purpose of section 138G(2) (Rule-making instrument) of the Act.

Pre-conditions to making

- C. In accordance with section 138J of the Act (Consultation by the PRA), the PRA consulted the Financial Conduct Authority. After consulting, the PRA published a draft of proposed rules and had regard to representations made.

PRA Rulebook: CRR Firms, Non CRR Firms, Solvency Firms II, Non Solvency II Firms: Senior Manager Regime Forms Instrument 2023

- D. The PRA makes the rules in the Annexes to this instrument.

Part	Annex
Insurance - Senior Managers Regime - Applications and Notifications	A
Large Non-Solvency II Firms – Senior Managers Regime – Applications and Notifications	B
Non-Solvency II Firms – Senior Managers Regime – Applications and Notifications	C
Senior Managers Regime - Applications and Notifications	D

Commencement

- E. This instrument comes into force on [DATE].

Citation

- F. This instrument may be cited as the PRA Rulebook: CRR Firms, Non CRR Firms, Solvency II Firms, Non Solvency II Firms: Senior Manager Regime Forms Instrument 2023.

By order of the Prudential Regulation Committee

[DATE]

Annex A

Amendments to Insurance - Senior Managers Regime –

Applications and Notifications Part

In this Annex new text is underlined and deleted text is struck through.

...

2 APPLICATION TO PERFORM A PRA SENIOR MANAGEMENT FUNCTION

...

2.6 ...

- (2) The PRA directs that a~~A~~ firm must not use Form A (shortened form) if the circumstances set out in 2.3 apply.

...

4 CEASING TO PERFORM A PRA SENIOR MANAGEMENT FUNCTION

4.1 A firm must notify the PRA no later than seven *business days* after a *person* permanently ceases to perform a *PRA senior management function*, using:

- (1) Form E pursuant to the direction in 2.3 if a *person* permanently ceases to perform a *PRA senior management function* and the *firm* is also making an application for the same *person* to perform a new *PRA senior management function*; and

- (2) in all other cases, Form C.

...

5 CHANGE IN DETAILS RELATING TO PRA SENIOR MANAGEMENT FUNCTION HOLDERS

...

5.3 The PRA directs that~~if~~ a *PRA senior management function holder* ceases to perform a *PRA senior management function* for a *firm* but continues to perform one or more *PRA senior management functions* for the same *firm*, the *firm* must submit a revised *statement of responsibilities form* for the remaining *PRA senior management function(s)*, along with Form J.

6 PROCEDURE FOR MAKING APPLICATIONS AND NOTIFICATIONS

...

6.3 ...

- (2) The PRA directs that a~~A~~ firm must not use Form J where the revisions are to be made as part of arrangements involving an application:

...

7 FORMS

7.1 (1) Form A (long form) ~~may be found here~~ is available on the PRA's website.

(2) Form A (shortened form) ~~may be found here~~ is available on the *PRA's* website.

(3) Form B ~~may be found here~~ is available on the *PRA's* website.

...

(6) Form E ~~may be found here~~ is available on the *PRA's* website.

(6A) Form I is available on the *PRA's* website.

(6B) Form J is available on the *PRA's* website.

(7) The *statement of responsibilities form* ~~may be found here~~ is available on the *PRA's* website.

...

Annex B

Amendments to Large Non-Solvency II Firms – Senior Managers Regime –

Applications and Notifications Part

In this Annex new text is underlined and deleted text is struck through.

...

2 APPLICATION TO PERFORM A PRA SENIOR MANAGEMENT FUNCTION

...

2.6 ...

- (2) The PRA directs that a~~A~~ firm must not use Form A (shortened form) if the circumstances set out in 2.3 apply.

...

4 CEASING TO PERFORM A PRA SENIOR MANAGEMENT FUNCTION

- 4.1 A firm must notify the PRA no later than seven *business days* after a *person* permanently ceases to perform a *PRA senior management function*, using:

- (1) Form E pursuant to the direction in 2.3 if a *person* permanently ceases to perform a *PRA senior management function* and the *firm* is also making an application for the same *person* to perform a new *PRA senior management function*; and

- (2) in all other cases, Form C.

...

4A APPLICATION TO VARY A CONDITIONAL APPROVAL

...

- 4A.2 The PRA directs that a~~A~~ firm withdrawing an application made under section 63ZA of FSMA (Variation of senior manager's approval at request of relevant authorised person) must do so using Form B.

5 CHANGE IN DETAILS RELATING TO PRA SENIOR MANAGEMENT FUNCTION HOLDERS

...

- 5.3 The PRA directs that ~~if~~ a *PRA senior management function holder* ceases to perform a *PRA senior management function* for a *firm* but continues to perform one or more *PRA senior management functions* for the same *firm*, the *firm* must submit a revised *statement of responsibilities form* for the remaining *PRA senior management function(s)*, along with Form J.

6 PROCEDURE FOR MAKING APPLICATIONS AND NOTIFICATIONS

...

6.3 ...

- (2) The PRA directs that a~~A~~ firm must not use Form J where the revisions are to be made as part of arrangements involving an application:

...

7 FORMS

- 7.1 (1) Form A (long form) ~~may be found here~~ is available on the *PRA's* website.
- (2) Form A (shortened form) ~~may be found here~~ is available on the *PRA's* website.
- (3) Form B ~~may be found here~~ is available on the *PRA's* website.
- ...
- (6) Form E ~~may be found here~~ is available on the *PRA's* website.
- (6A) Form I is available on the *PRA's* website.
- (6B) Form J is available on the *PRA's* website.
- (7) The *statement of responsibilities form* ~~may be found here~~ is available on the *PRA's* website.

Annex C

Amendments to Non-Solvency II Firms – Senior Managers Regime –

Applications and Notifications Part

In this Annex new text is underlined and deleted text is struck through.

...

2 APPLICATION TO PERFORM A PRA SENIOR MANAGEMENT FUNCTION

...

2.6 ...

- (2) The PRA directs that a~~A~~ firm must not use Form A (shortened form) if the circumstances set out in 2.3 apply.

...

4 CEASING TO PERFORM A PRA SENIOR MANAGEMENT FUNCTION

- 4.1 (1) A firm must notify the PRA no later than seven *business days* after a person permanently ceases to perform a *PRA senior management function*, using:
- (a) Form E pursuant to the direction in 2.3 if a person permanently ceases to perform a *PRA senior management function* and the firm is also making an application for the same person to perform a new *PRA senior management function*; and
- (b) in all other cases, Form C.

...

4A APPLICATION TO VARY A CONDITIONAL APPROVAL

...

- 4A.2 The PRA directs that a~~A~~ firm withdrawing an application made under section 63ZA of FSMA (Variation of senior manager's approval at request of relevant authorised person) must do so using Form B.

5 CHANGE IN DETAILS RELATING TO PRA SENIOR MANAGEMENT FUNCTION HOLDERS

...

- 5.3 The PRA directs that if a *PRA senior management function holder* ceases to perform a *PRA senior management function* for a firm but continues to perform one or more *PRA senior management functions* for the same firm, the firm must submit a revised *statement of responsibilities form* for the remaining *PRA senior management function(s)*, along with Form J.

6 PROCEDURE FOR MAKING APPLICATIONS AND NOTIFICATIONS

...

6.3 ...

- (2) The PRA directs that a~~A~~ firm must not use Form J where the revisions are to be made as part of arrangements involving an application:

...

7 FORMS

- 7.1 (1) Form A (long form) ~~may be found here~~ is available on the *PRA's* website.
- (2) Form A (shortened form) ~~may be found here~~ is available on the *PRA's* website.
- (3) Form B ~~may be found here~~ is available on the *PRA's* website.
- ...
- (6) Form E ~~may be found here~~ is available on the *PRA's* website.
- (6A) Form I is available on the *PRA's* website.
- (6B) Form J is available on the *PRA's* website.
- (7) The *statement of responsibilities form* ~~may be found here~~ is available on the *PRA's* website.

Annex D

Amendments to Senior Managers Regime - Applications and Notifications Part

In this Annex new text is underlined and deleted text is struck through.

...

2 APPLICATION TO PERFORM A PRA SENIOR MANAGEMENT FUNCTION

...

- 2.2 The *PRA* directs that a *firm* must use ~~f~~EForm A (long form) for a *PRA senior management approval application* unless

...

- 2.6 (1) The *PRA* directs that a *firm* must use ~~f~~EForm A (shortened form) for a *PRA senior management approval application* if:

...

- (2) The *PRA* directs that a~~A~~ *firm* must not use Form A (shortened form) if the circumstances set out in 2.3 apply.

- 2.7 ...

- (2) A~~The statement of responsibilities must be in the form set out here~~ form is available on the *PRA*'s website.

...

3 APPLICATION TO VARY A CONDITIONAL APPROVAL

- 3.1 The *PRA* directs that a~~A~~ *firm* making an application to the *PRA* under section 63ZA of *FSMA* (for the variation of a conditional approval) must do so by submitting

- (1) Form I; and

- (2) a *statement of responsibilities* for the *PRA*-approved person concerned in the form specified in 2.7(2).

4 WITHDRAWAL OF A SENIOR MANAGEMENT APPROVAL APPLICATION OR AN APPLICATION TO VARY A CONDITIONAL APPROVAL

...

- 4.2 The *PRA* directs that a~~A~~ *firm* withdrawing an application made under section 63ZA of *FSMA* (Variation of senior manager's approval at request of relevant authorised person) must do so using Form B.

5 CEASING TO PERFORM A PRA SENIOR MANAGEMENT FUNCTION

- 5.1 (1) A *firm* must notify the *PRA* no later than ten *business days* after a person permanently ceases to perform a *PRA senior management function*, using:

(a) Form E pursuant to the direction in 2.3 if a *person* permanently ceases to perform a *PRA senior management function* and the *firm* is also making an application for the same *person* to perform another *PRA senior management function*; and

(b) in all other cases, Form C.

...

5.3 The PRA directs that if a *PRA approved person* ceases to perform a *PRA senior management function* for a *firm* but continues to perform one or more *PRA senior management function* for the same *firm*, the *firm* must submit a revised *statement of responsibilities* for the remaining *PRA senior management function(s)*, using Form J.

...

6 CHANGE IN DETAILS OR RESPONSIBILITIES RELATING TO PRA APPROVED PERSONS

...

6.3 ...

(2) The PRA directs that a *firm* must not use Form J where the revisions are to be made as part of arrangements involving an application:

...

8 FORMS

8.1 (1) Form A (long form) ~~may be found here~~ is available on the *PRA's website*.

(2) Form A (shortened form) ~~may be found here~~ is available on the *PRA's website*.

(3) Form B ~~may be found here~~ is available on the *PRA's website*.

...

(6) Form E ~~may be found here~~ is available on the *PRA's website*.

(7) Form I ~~may be found here~~ is available on the *PRA's website*.

(8) Form J ~~may be found here~~ is available on the *PRA's website*.

2: List of forms

Form A (long form) - Application to perform controlled functions including senior management functions. To be used where Form A (shortened form) is not used.

Form A (shortened form) - Application to perform controlled functions including senior management functions. To be used where the person to whom the application relates:

- (i) has a current approved person's approval at the time of application; or
- (ii) has had a current approved person's approval within the previous six months; and (iii) there have been no matters arising in relation to the fitness and propriety of the person to whom the application relates which mean the information previously provided to the FCA or PRA regarding fitness and propriety has changed.

Form B - Notice to withdraw an application to perform controlled functions. This form is also to be used for notice to withdraw an application to add, vary or remove a conditional approval.

Form E - Internal transfer of a person performing a controlled function for dual regulated firms. Used for a PRA senior management approval application if the PRA senior management approval application is in respect of a person who has a current approved person approval and is either:

- (i) ceasing to perform a PRA senior management function and taking up a new PRA senior management function for the same firm or another member of its group; or
- (ii) ceasing to perform an FCA designated senior management function or significant influence function and taking up a PRA senior management function for the firm or another member of its group.

Form I - Applications to add, vary or remove a conditional approval for the performance of a senior management function.

Form J - Notification of Significant Changes in Responsibilities of a Person Performing a Senior Management Function.

3: Form A (Long Form)

Published in separate document.

4: PRA statutory obligations

The statutory obligations applicable to the PRA's policy development process are set out below. This CP explains the policy assessment of relevant considerations.

- **For rules instruments and UK Technical Standards Instruments:** Purpose of the policy proposals (FSMA s138J(2)(b)).
- **For rules instruments and UK Technical Standards Instruments:** Cost benefit analysis (FSMA s138J(2)(a) and (7)(a)); and an estimate of those costs and benefits (if reasonable) (FSMA s138J(8)).
- **For rules instruments and UK Technical Standards Instruments:** Analysis of whether the impact on mutuals is significantly different to the impact on other authorised firms (FSMA s138J(2)(c) and 138K).
- Compatibility with the PRA's primary objectives (FSMA s138J(2)(d)(i), 2B and 2C).
- Compatibility with the PRA's secondary competition objective (FSMA s138J(2)(d)(ii) and 2H(1)).
- Compatibility with the regulatory principles (FSMA s138J(2)(d)(ii), 2H(2) and 3B).
- Have regard to the HMT recommendation letters (BoE Act s30B).
- Have due regard to the public sector equality duty (Equality Act s149).
- Have regard, subject to any other requirement affecting the exercise of the regulatory function, to the principles of good regulation and when determining general policy or principles to the Regulators Code (Legislative and Regulatory Reform Act 2006 s21 & 22)
- Have regard, so far as consistent with the proper exercise of those functions, to the purpose of conserving biodiversity. Conserving biodiversity includes, in relation to a living organism or type of habitat, restoring or enhancing a population or habitat (Natural Environment and Rural Communities Act 2006, s40).
- **For rules instruments and UK Technical Standards Instruments:** Consultation of the FCA (FSMA s138J(1)(a)).
- **For UK Technical Standards Instruments only:** FSMA s138J(1)(a) is replaced with: consultation of the FCA and/or Bank, where that Regulator has an interest in the technical standards (FSMA s138P(4) and (5)).
- **For UK Technical Standards Instruments only:** notice given to HMT of the consultation on the UKTS ('best efforts' basis).
- **For CRR rules only:** subject to certain exceptions, have regard to:
 - relevant standards recommended by the Basel Committee on Banking Supervision from time to time
 - the likely effect of the rules on the relative standing of the United Kingdom as a place for internationally active credit institutions and investment firms to be based or to carry on activities. For these purposes, the PRA must consider the United Kingdom's standing in relation to the other countries and territories in which, in its opinion, internationally active credit institutions and investment firms are most likely to choose to be based or carry on activities

- the likely effect of the rules on the ability of CRR firms to continue to provide finance to businesses and consumers in the United Kingdom on a sustainable basis in the medium and long term
- the target in [section 1](#) of the Climate Change Act 2008 (carbon target for 2050)
- (s144C (1) & (2) FSMA – exceptions in s144E FSMA).
- **For CRR rules only** – explanation of the ways in which having regard to the matters specified above has affected the proposed rules (s144D FSMA).
- **For CRR rules only** – publication of a summary of the proposed CRR rules.
- **For CRR rules only** – consideration and consultation with the Treasury about the likely effect of the rules on relevant equivalence decisions (s144C (3) & (4) FSMA).