

# PRA AND FCA FEEDBACK ON IMPLEMENTATION OF THE SENIOR MANAGERS AND CERTIFICATION REGIMES FOR BANKS AND INSURERS - NEW MEASURES TO STRENGTHEN THE REGIME

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Legal Briefings

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On 28 September 2016, the FCA and PRA (the Regulators) issued a suite of papers setting out their feedback on the implementation of the Senior Managers and Certification Regime (SMCR), together with new proposals for amending some of its provisions and "optimising" its application to Banks and PRA investment firms.

This suite of documents did not include consultation on extending the regime to all firms. These consultations are now expected to be published in Q1 2017.

The key new proposals under consultation are:

- Introduction of SMF 23 Chief Operations Manager
- New prescribed responsibility for operational resilience and operational continuity
- Wider definition of "key business area" under SMF 6, which may result in additional

Senior Managers in some firms

- Extension of certain conduct rules to all NEDs
- Additional guidance on the duty of responsibility

Feedback has been provided on:

- Implementation and allocation of Senior Managers
- Governance maps
- Statements of responsibility

Finally, a discussion paper has been issued on whether a Senior Managers is needed for the legal function.

These papers indicate that the individual accountability regimes for deposit takers and PRA investment firms (the SMCR) and insurers (the SIMR) continue to be developed and amended, even as the Regulators indicate that they will issue new consultation papers in Q1 2017 for the extension of SMCR to all regulated firms and the "upgrading" of the Insurers' regime to a full SMCR model. It is likely that the feedback may prompt some firms to change their arrangements further; and that the consultations will result in additional Senior Managers being appointed in some cases.

We summarise the key changes and identify issues arising from the documents in our full briefing [here](#).

On the same day the Regulators issued final rules on regulatory references and remuneration requirements. You can read our briefings on these changes [here](#) and [here](#).

## KEY CONTACTS

If you have any questions, or would like to know how this might affect your business, phone, or email these key contacts.



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