



## Senior Managers and Certification Regime Overview

### Limited Scope Firms

#### SOLE TRADER – WITH EMPLOYEES

This document is intended to assist members in understanding the intentions of the scheme specific to their scope requirements. These are not comprehensive but created to help firms know where to look for assistance, much of which is shown by links to the FCA website and documents.

## Introduction

1. The Financial Conduct Authority (FCA) is changing how people working in financial services are regulated and this will affect almost every firm that is regulated by the FCA.
2. After the financial crisis it was recommended that the FCA develop a new accountability system that was more focused on senior managers and individual responsibility. The FCA has created the Senior Managers and Certification Regime (SM&CR), the regime was applied to banks and building societies from March 2016.
3. The UK Government agreed to extend the regime to all financial services firms and the FCA is replacing the existing Approved Persons Regime with the Senior Managers and Certification Regime from 9<sup>th</sup> December 2019.
4. The aims of the regime are **to raise the standards of conduct and culture** for everyone who works in financial services by making senior people in firms more responsible and accountable for their actions. Also, the regime will increase understanding of where responsibility lies.

Jonathan Davidson, Executive Director of Supervision- Retail and Authorisations at the FCA, said:

"Culture and governance in financial services and its impact on consumer outcomes is a priority for the FCA. The extension of the Senior Managers and Certification Regime is key to driving forward culture change in firms.

"This is about individuals, not just institutions. The new Conduct Rules will ensure that individuals in financial services are held to high standards, and that consumers know what is required of the individuals they deal with. The regime will also ensure that Senior Managers are accountable both for their own actions, and for the actions of staff in the business areas that they lead."

## FCA has stated that the aims of the Senior Management & Certification Regime are

"Reduce harm to consumers and strengthen market integrity by creating a system that enables firms and regulators to hold people to account"

The FCA website has a specific area to assist and guide solo-regulated firms and can be found here <https://www.fca.org.uk/firms/senior-managers-certification-regime/solo-regulated-firms>

## Design of the Regime

5. The SM&CR has three elements: Senior Managers Regime, Certification Regime and Conduct Rules and all apply to each legal entity. The regime has three types of firms: Limited Scope, Core Regime and Enhanced Regime, with extra requirements for some bigger or more complex firms or groups.
6. In due course the FCA will be contacting every firm to tell them what regime the FCA has categorised the firm, waiting for this will limit the time available and it is strongly recommended that firms consider their categorisation as soon as possible so that they are thinking and acting on what is required of them.

ACTION: The FCA have included an online 'Firm checker tool' on the FCA website, accessed via the link below, firms answer a few questions about their activities and receive an immediate idea of their categorisation.

<https://www.fca.org.uk/decision-tree/firm-checker-tool>

7. In July 2018 the FCA published a guide for FCA solo-regulated firms, click on this link <https://www.fca.org.uk/publication/policy/guide-for-fca-solo-regulated-firms.pdf> to access the FCA guide. The FCA guide for solo-regulated firms provides a list of firm types and describes a 'Limited Scope Firms' as:

Firms that will be subject to fewer requirements than Core firms. This covers all firms that currently have a limited application of the Approved Persons Regime, for example:

- Limited permission consumer credit firms
- All sole traders (with or without employees)
- Insurance intermediaries whose principal business is not insurance intermediation and who only have permission to carry on insurance mediation activity in relation to non-investment insurance contracts.

This document is aimed at firms that have a categorisation of 'Limited Scope' that have employees or other directors (where a limited Company), this includes where members of your family are involved in the firm or you have other people fulfilling roles or tasks covered by FCA regulation.

Firms should use this as a guide to support their understanding of the FCA SM&CR, but be aware that rules and references can change, all information and links in this document were correct at the time of publication. Firms should, where appropriate, adjust their timeline view of the FCA Handbook to reflect the date that the new FCA requirements are due to be in force i.e. after 9<sup>th</sup> December 2019, this will then show the rules and guidance that applies.

## Senior Managers Regime

1. The regime sets out various Senior Management Functions that are applicable to senior individuals in the firm. There are a set of Senior Management Functions which will only apply to Limited scope firms. This means that some individuals that are approved under the Approved Persons Regime will not be approved under the Senior Managers and Certification Regime.

### Senior Management Functions – Limited Scope firm only

Function Name	Relevant to Limited Scope Firms
<b>Required Functions*</b>	
SMF29 – Limited Scope Function	Y
SMF16 – Compliance Oversight	Y
SMF17 – Money Laundering Reporting Officer	Y

FCA Handbook – SUP 10C.4.3R Annex 1

<https://www.handbook.fca.org.uk/handbook/SUP/10C/4.html> the list above only applies to 'Limited Scope' firms. It is possible that most firms will only hold SMF29- Limited Scope Function.

*\*Required functions are those which apply to firms because of specific FCA Handbook rules. The introduction of SM&CR does not change the existing application of the FCA rules and firms are not required to allocate a Senior Management Function or appoint an individual to the role if the FCA Handbook does not require them to be appointed.*

2. There is no requirement for existing Approved Persons to apply for FCA approval, the FCA will, where possible, automatically transfer existing Approved Persons across to a new Senior Management Function. The authorised firm through their 'FCA Connect' portal will need to review the SMF allocations and make any amendments by mid-November 2019.
3. The person allocated a Senior Management Function is the decision maker and the business must allocate the appropriate responsibilities to this key decision maker. A key change in the SM&CR is the introduction of a prescribed document that states what the senior manager is responsible for, 'Statement of Responsibilities' and a 'Duty of Responsibility'. This duty means that if something goes wrong that they are responsible for, the FCA will consider whether the senior manager took 'reasonable steps' to prevent or stop this breach from happening.
4. Existing individuals must have a Statement of Responsibility in place before the commencement of the SM&CR on 9<sup>th</sup> December 2019, whilst the FCA does not require the individual Statement of Responsibility to be submitted as part of the transition to the new Regime, the FCA will expect the firm to provide the Statement of Responsibility if the firm is requested to do so.

**ACTION:** Draft and agree Statements of Responsibilities (SoR's) for the individual holding the Senior Management Functions before the end of November 2019. SUP 10C.11 <https://www.handbook.fca.org.uk/handbook/SUP/10C/11.html> The SoR is a self-contained document and must clearly set out what the senior manager is responsible for.

The FCA has published FG19/2 SM&CR: Guidance on statements of responsibilities and responsibilities maps for FCA firms <https://www.fca.org.uk/publication/finalised-guidance/fg19-02.pdf>

**NB: Limited Scope firms are not required to have responsibility maps**

**Prescribed Responsibilities**

5. Prescribed Responsibilities **do not apply to Limited Scope Firms**, therefore there is no requirement for a Limited Scope Firm to allocate them to a senior manager.

**Fit and Proper**

6. SM&CR extends the 'FIT' requirement to cover Certification staff, senior managers but not to non-approved board directors (executive or non-executive) in Limited Scope firms.
7. A sole trader is not required to conduct a criminal record check or gain regulatory references for themselves, even where they also hold a Senior Management Function (SMF)
8. A sole trader with employees should consider whether any of these individuals meet the definition of a senior manager or perform one of the Certification Functions. If so, the Fit & Proper requirements apply, the rest of this section describes the requirements for sole traders with employees.
9. The FCA has summarised its requirements in Section 10 FCA: The Senior Managers and Certification Regime: Guide for FCA solo-regulated firms. <https://www.fca.org.uk/publication/policy/guide-for-fca-solo-regulated-firms.pdf> The FCA is clear that when someone is in these roles the firm must assess them on an ongoing basis, and at least once a year.

FCA FIT Sourcebook sets out the detailed guidance about what things firms should consider as part of an individual's fitness and propriety. This includes:

- Honesty, integrity and reputation
- Competence and capability, including whether the individual satisfies any relevant FCA training and competence requirements
- Financial soundness

**ACTION:** Review and consider the requirements in the FCA FIT Sourcebook compared to the firms existing procedures, make any necessary changes and ensure this is clearly communicated and reflected in the firm's other connected policies or procedures for example; how will the firm take into account other legislative requirements i.e. employment law, Rehabilitation of Offenders Act, Rehabilitation of Offenders (Northern Ireland) Order and General Data Protection Requirements (Special Category data).

A firm will need to consider the requirements of the SM&CR across all of its employment policies and procedures.

10. Firms need to consider if the information that it holds meets the requirements to appoint the employee to a certified role i.e. is the reference history sufficient or should a new reference be sought.
11. Firms should, wherever feasible, conclude all investigations before an individual/employee departs the firm, this includes disciplinary or misconduct investigations.
12. A firm and candidate of senior managers need to declare if a candidate has a criminal record (to the maximum extent allowed by law). Firms must also undertake a criminal record check as part of each senior manager's application for approval. These checks are not mandatory for certified functions, but firms may choose to undertake these checks for other staff where they are legally allowed to do so.

**ACTION:** Firms will either need to register with the Disclosure and Barring Service (DBS) and other equivalent agencies or use an umbrella organisation to act as an intermediary for this service.

### **Regulatory References**

13. The SM&CR introduces a new set of rules on Regulatory Referencing, these are detailed in the FCA Handbook SYSC 22 and include a standard template for the information sharing between firms.
14. There is an obligation to obtain a reference when considering an application or appointing someone to a controlled function or issuing a certificate under the certification regime. The reference must cover the potential employee's last six month's employment history (minimum).
15. There is an obligation to provide a reference, FCA would normally expect a response to be provided within six weeks of receiving such a request and as an SMCR firm must additionally provide specific data as required in the rules after referring to the factors it should also take into account. A firm need not include details of the criminal record checks it has undertaken as it is for the new firm/employer to undertake their own checks as appropriate.
16. Firms have an obligation to ensure that any reference that is provided is accurate and fair, the firm should exercise due skill and care when drafting the reference. Where a firm's records are incomplete or do not cover the period expected it must state that in its response. There is also guidance on factors to consider when deciding if a previous misconduct is 'sufficiently serious' to be disclosed.
17. There is also now an obligation to revise a reference that has been provided and firms must familiarise themselves with the requirements ensuring that the firms policies and procedures are updated to ensure that the obligations are met. These rules also include a rule that requires the firm to find out who the current employer is and a requirement to respond within a reasonable timeframe.

18. Firms must note that they should not enter into any agreements not to disclose information, often referred to as compromise agreements, that would restrict their ability to disclose information. All obligations to comply with SYSC disclosure apply regardless of the terms of the agreement entered into.

### **Evidence Requirements**

19. There is a general requirement to ensure that records are kept to evidence that the requirements of the firms obligations can be evidenced; SYSC has specific requirements in SYSC Annex 1R ( E ) Fit and Proper (F) disciplinary action and firms should ensure these are met and also consider other information time limits/relevance of data.

FCA guidance is clear that information and records before the firm became an SM&CR firm must also be retained, where they exist, in order to meet the firm's obligation with SYSC 22.9.1R.

20. Under SM&CR, firms must collect extra evidence when assessing candidates for senior manager positions, certification functions or NED roles (even if not a senior manager). The FCA has explained these extra requirements in Section 10 of the guide for solo-regulated firms <https://www.fca.org.uk/publication/policy/guide-for-fca-solo-regulated-firms.pdf> this includes evidence of criminal record checks and regulatory referencing undertaken.
21. Firms must retain records of disciplinary and Fit & Proper findings going back 6 years.

### **Changes to responsibilities of Senior Managers**

22. Where individuals fulfilling the Senior Management Functions change, these individuals must first be approved by the FCA before taking up their role within the firm. The firm must take steps to ensure that any individual being considered to hold a Senior Management Function are capable and understand their responsibilities, as they are the most senior people in the firm and have the greatest potential to cause harm or impact on consumers, the business and market integrity. These individuals also have an important part to play in embedding the right culture and governance within the firm.
23. A firm and candidate of senior managers need to declare if a candidate has a criminal record (to the maximum extent allowed by law). Firms must also undertake a criminal record check as part of each senior manager's application for approval. These checks are not mandatory for certified functions, but firms may choose to undertake these checks for other staff where they are legally allowed to do so.

**ACTION:** Firms will either need to register with the Disclosure and Barring Service (DBS) and other equivalent agencies or use an umbrella organisation to act as an intermediary for this service.

## **12-week Rule**

24. The FCA recognises that where a temporary absence or unforeseen situation arises an individual would need to step into a Senior Management Function to ensure that the firm maintain compliance with its regulatory obligations. The FCA does not require this individual to be approved as long as the appointment is for less than 12 consecutive weeks. However, the firm should regularly review the situation to determine whether the situation is temporary or a permanent change is required. If a change is needed then the firm must notify the FCA and the individual will need to have been assessed by the firm before they submit an application for the appointment of a new senior manager.

The firm and individuals in the firm covered by the Conduct Rules should also consider disclosing any information to the FCA, that the FCA may reasonably be expected to be made aware of.

## **Certification Regime**

25. The Certification Regime covers specific functions that aren't Senior Management Functions (SMFs) but could have a significant impact on customers, the firm and/or market integrity. Certified individuals are not approved by the FCA, firms will be responsible to check and confirm (certify) these individuals, at least once a year, are suitable to do their job. The Certification Regime is set out in the FCA Handbook – SYSC 27, many of these roles may have been approved previously by the FCA. i.e. CF29 significant management function, CF30 customer function.
26. The Limited Scope firm needs to review the FCA Handbook – SYSC 27 and where none of the roles in the FCA Handbook apply, then they do not have 'Certified Staff' and don't need to apply the Certification Regime.

The rest of this section describes the steps that should be taken when there are roles that are covered by the Certification Regime

27. Firms are required to take reasonable care to ensure that no employee of the firm carries out an FCA Certification Function unless the individual has a valid certificate issued by the firm to carry out that Certified Function to which the certificate relates.
28. Where a role meets the definition of a Certification Function a firm needs to make sure that anyone doing that role has been certified. A firm must apply the Certification Regime from the SM&CR introduction date for all new appointments to a certified role. All existing individuals in roles identified as meeting the certification role definition must be assessed as fit & proper and issued with a 'certificate' within 12 months of the introduction of SM&CR i.e. by December 2020.
29. The Certification Regime applies to employees of the firms. Firms need to review the SM&CR Regime's definition of 'employees' as it covers individuals seconded to the firm, contractors, for example and may include advisers employed by a firm on a contract basis.

Below are some examples of Certification Functions (full details in FCA SYSC 27)



Certification Function	Overview
Functions subject to qualification requirements	This includes, for example, mortgages advisers, retail investment advisers and pension transfer specialists. the full list is set out in the FCA Training and Competence Sourcebook
The client dealing function	This function will be expanded from the current CF30 function to apply to any person dealing in or arranging investments with clients, including retail and professional clients
Anyone who supervises or manages a Certified Function (directly or indirectly), but isn't a Senior Manager	This is to ensure that individuals who supervise certified employees are held to the same standard of accountability. It also makes sure a clear chain of accountability between junior certified employees and the Senior Manager ultimately responsible for that area. The FCA's example if a firm employs a customer-facing financial adviser, every manager above them in the chain of responsibility will have to be certified (until the Senior Manager approved under Senior Managers Regime is reached)

### Significant Management Certification Function

30. The FCA has been given new powers to ensure certain 'significant harm functions' are covered under the Certification Regime. These functions do not necessarily have to be customer facing instead could be an internal support department. Firms have to review and decide if they have any of these functions. If the Firm determines that it has then the Certified Regime must be applied, firms should refer to FCA SYSC 27 for factors that the FCA expects firms to consider, as well as some examples of business units.

Below are a small set of examples of Significant Management Functions; further guidance is also included in the guide for FCA solo-regulated firms

<https://www.fca.org.uk/publication/policy/guide-for-fca-solo-regulated-firms.pdf>

Significant Management Function	Where defined (FCA Handbook)
Significant Management	SYSC 27.8.4R
Functions Requiring Qualifications	SYSC 27.8.10R TC App 1.1.1R
Managers of Certified employee	SYSC 27.8.13R
Material Risk Takers	SYSC 27.8.14R
Client Dealing Function	SYSC 27.8.18R

31. In regard to functions requiring a qualification, firms should also note if a person is yet to complete their qualification but is in a role requiring a qualification, they are still, as far as the FCA is concerned, fulfilling a 'Certified Function'. Further guidance to meeting this rule requirement is provided in the FCA Handbook  
<https://www.handbook.fca.org.uk/handbook/SYSC/27/8.html>

32. The certification of individuals in a 'Certified Function' classified role must be carried out at least once a year, and firms should take into account whether the individual:
- Has obtained a qualification
  - Has undergone, or is undergoing, training
  - Possesses a level of competence, or
  - Has the personal characteristics.

33. The firm is required to issue a certificate to an individual only where it is satisfied that the individual is a fit & proper person to perform the certification function to which the certificate relates. FCA SYSC 2 Requirements of Certification Regime, provides guidance to firms on what steps the FCA reasonably expects, this includes FIT and Proper requirements and regulatory referencing or where a secondment is being undertaken.

34. The certificate itself must:
- state that the firm is satisfied that the individual is fit and proper to perform the function to which the certificate relates; and
  - set out the aspects of the affairs of the firm that the individual will be involved in performing the function

The certificate must be valid for 12 months beginning on the date it is issued, it can be valid for a shorter period but cannot be drafted to be valid for longer than 12 months. When drafting the certificate, a firm may want to consider all functions that the employee is fulfilling, where they have already been assessed as fit & proper to carry out the function.

35. There is a requirement for a firm to maintain a record of every employee that has a valid certificate issued by the firm.
36. Remember that the regime applies at 'legal entity' level and therefore where an employee carries out a certification function for a different legal entity within the group the regulated firm must issue a certificate for each legal entity, this could mean that an employee has multiple certificates.
37. Where an employee changes role part way through the 12-month certification period the firm may need to complete a re-assessment of the employee and reissue the certificate, ensuring that the employee is fit & proper to perform the new function.
38. Where a firm decides that it is not issuing a certificate then FCA SYSC provides guidance on what steps the firm may propose to take following its decision not to award the certificate i.e. notification to the FCA for a breach of rules in COCON.
39. Where a senior manager, already holding a Senior Management Function, is performing a certification function that is very different to what they are doing as a senior manager – they must also be certified. The FCA expects this to be uncommon in larger firms but may for example occur in a financial advice firm where a senior manager performing SMF3 – Executive Director, also performs a role that meets the definition of the client dealing or a function requiring a qualification.

## Conduct Rules

The Financial Services and Markets Act (FSMA) gave the FCA new powers to create conduct rules and apply them to all employees within a firm – not just approved individuals. These are new enforceable rules that set basic standards and good personal conduct, which the FCA will hold people to account. Firms should refer to the FCA COCON Sourcebook:

**ACTION:** review the FCA definition of ‘employee’ to ensure the firm considers all appropriate individuals that are in the firm.

40. The conduct rules are intended to improve standards of individual behaviour in financial services from the top down and the bottom up. The rules represent a meaningful change in the standards of conduct that the FCA expect from those working in the financial services industry.
41. There are two tiers of conduct rules that apply to all firms. The first set are general and apply to most employees and directors in a firm. The second set are rules that only apply to senior managers, the FCA has included *one rule in COCON 2/2.2.4/SC4 that applies to all directors and NEDs who are not senior managers.*

FCA Handbook	Individual Conduct Rules (apply to most employees and directors)
COCON 2.1.1	Rule 1: You must act with integrity.
COCON 2.1.2	Rule 2: You must act with due skill, care and diligence.
COCON 2.1.3	Rule 3: You must be open and cooperative with the FCA, the PRA and other regulators.
COCON 2.1.4	Rule 4: You must pay due regard to the interests of customers and treat them fairly.
COCON 2.1.5	Rule 5: You must observe proper standards of market conduct.

FCA Handbook	Senior Manager Conduct Rules
COCON 2.2.1	SC1: You must take reasonable steps to ensure that the business of the firm for which you are responsible is controlled effectively.
COCON 2.2.2	SC 2: You must take reasonable steps to ensure that the business of the firm for which you are responsible complies with the relevant requirements and standards of the regulatory system.
COCON 2.2.3	SC3: You must take reasonable steps to ensure that any delegation of your responsibilities is to an appropriate person and that you oversee the discharge of the delegated responsibility effectively.
COCON 2.2.4	SC 4: You must disclose appropriately any information of which the FCA or PRA would reasonably expect notice.

42. The FCA has been clear that the conduct rules apply to a firm’s regulated and un-regulated financial services activities (including any related ancillary activities i.e. an activity carried out in connection with a regulated activity). Firms should ensure that they are familiar with the roles and processes undertaken by all individuals in their firm and apply the conduct rules accordingly.

43. The FCA expects firms to ensure that everyone subject to COCON – Code of Conduct is notified of the rules that apply to them; and the firm takes all reasonable steps to ensure that those individuals understand how the rules apply to them.
44. FCA guidance in COCON also expects firms to ensure that, where appropriate, training and awareness of the notification of COCON breaches and any disciplinary action deals with reporting requirements of an SMCR firm.
45. The FCA specific guidance on each of the individual conduct rules is contained within COCON. The guidance provides good and poor practice to help individuals and firms understand the behaviour expected of them. For example, in COCON 4.1.13G the FCA makes it clear that Rule 4: You must pay due regard to the interest of customers and treat them fairly: (COCON 2.1.4R) applies to all conduct rule staff, regardless of whether that person has direct contact or dealings with customers of the firm.
46. Firms must review and update their policies and procedures to ensure that its systems and controls reflect the requirements to support good conduct by all that are subject to them. One area that has been discussed widely is the disclosure of information (SC4), also Rule 3 being open and cooperative with the regulator. Remember that SC4 applies to NEDs even where they are not appointed Senior Manager under SM&CR.  
  
Firms should consider what policies and procedures are in place within their firm to ensure all employees are aware of this requirement and the duty to disclose. The approach should be clear whether disclosing internally, to a senior manager with responsibility, or where they are the senior manager responsible for reporting matters to the regulator. Also, employees will need guidance on when to report directly to the appropriate regulator.
47. In its guidance the FCA is clear that SC4 imposes a duty on a senior conduct rules staff member to disclose appropriately any information of which the appropriate regulator would reasonably expect, including making a disclosure in the absence of any request or enquiry from the appropriate regulator.

## **Transition**

In the FCA's Senior Managers and Certification Regime guide for solo-regulated firms the FCA has set out the transition provisions that apply to all firms as they move to the new regime;

- Having identified Certification Staff at the start of the new regime, firms have 12 months from the commencement date to complete the initial certification process
- Senior Managers and Certification Staff will need to have been identified, trained and abide by the Conduct Rules from the start of the regime, but firms have 12 months to train their other staff on the conduct rules

## **Converting existing FCA approvals**

Firms should refer to chapter 14 of the Senior Managers and Certification Regime guide where the FCA sets out how existing control functions approvals will be mapped into the new regime and those that will not be mapped and maybe changing to a 'Certification Regime Role'. There are also actions

firms should consider and take in good time ahead of the commencement of the new regime and clear guidance on the FCA Form(s) that a firm should use in the FCA Connect system.

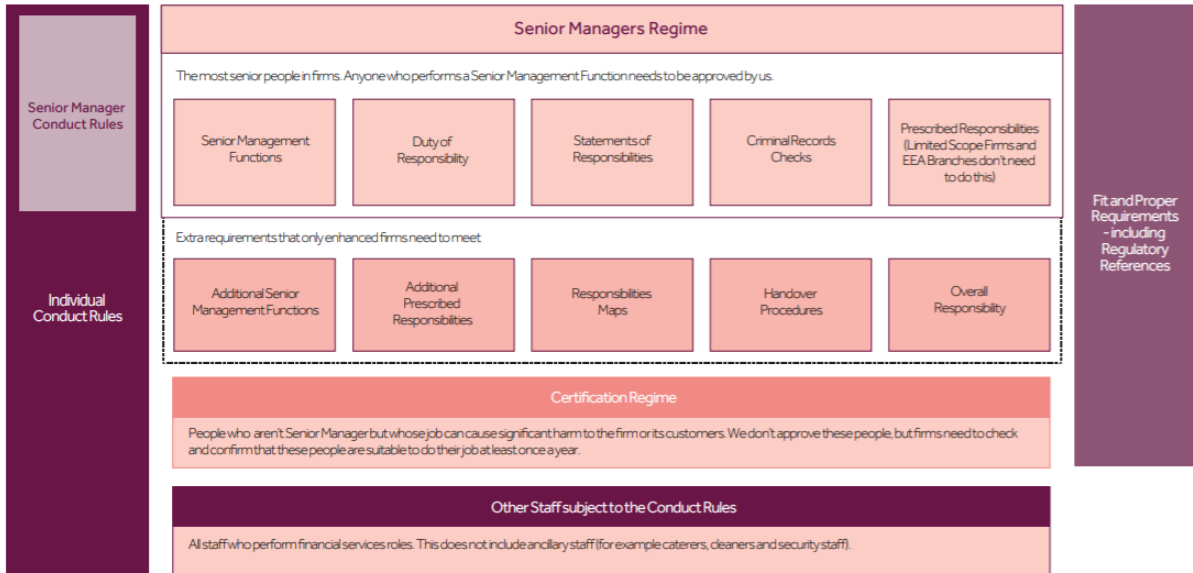
Below is another link to the FCA SM&CR guide for solo-regulated firms to refer

<https://www.fca.org.uk/publication/policy/guide-for-fca-solo-regulated-firms.pdf>

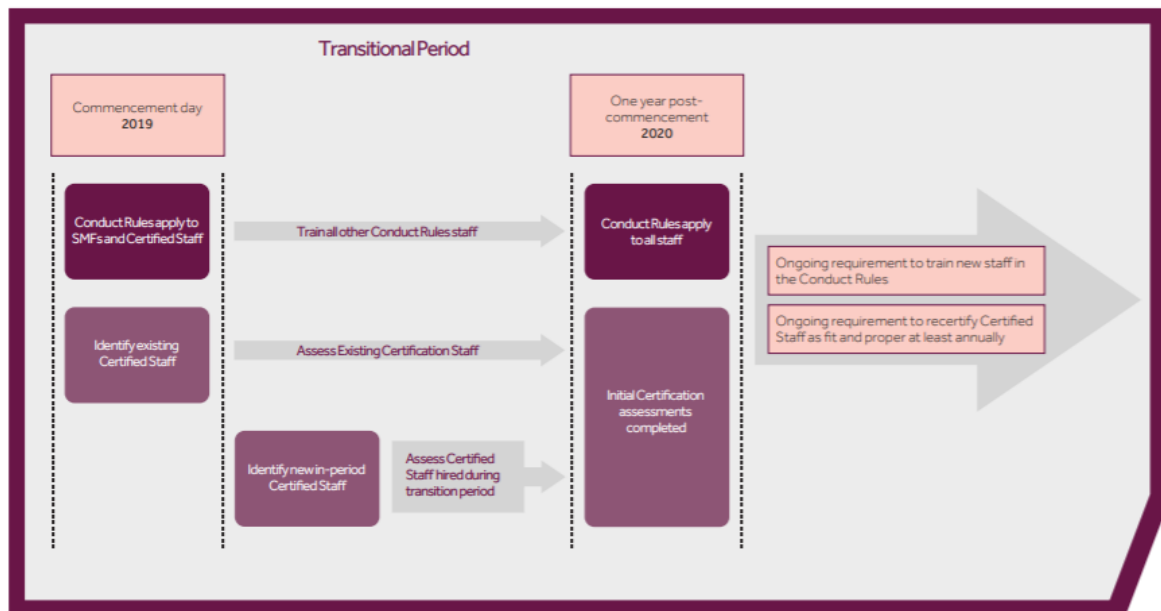
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# How the SM&CR applies to different types of firms

## Regime Breakdown



## Timelines for moving to the SM&CR



## OVERVIEW OF THE SM&CR (PUBLISHED BY THE FCA)

### Summary of SM&CR Tools

Tool	Limited Scope	Core	Enhanced	EEA Branches	Third Country Branches
SMFs	<ul style="list-style-type: none"> <li>• SMF29 – Limited Scope Function</li> <li>• SMF16 – Compliance Oversight</li> <li>• SMF17 – MLRO</li> </ul>	<ul style="list-style-type: none"> <li>• SMF1 – CEO</li> <li>• SMF3 – Executive Director</li> <li>• SMF9 – Chair</li> <li>• SMF27 – Partner</li> <li>• SMF16 – Compliance Oversight</li> <li>• SMF17 – MLRO</li> </ul>	<ul style="list-style-type: none"> <li>• SMF1 – CEO</li> <li>• SMF2 – CFO</li> <li>• SMF3 – Executive Director</li> <li>• SMF27 – Partner</li> <li>• SMF4 – CRO</li> <li>• SMF5 – Head of Internal Audit</li> <li>• SMF9 – Chair</li> <li>• SMF10 – Chair of the Risk Co</li> <li>• SMF11 – Chair of the Audit Co</li> <li>• SMF12 – Chair of the Remuneration Co</li> <li>• SMF13 – Chair of the Nominations Co</li> <li>• SMF14 – Senior Independent Director</li> <li>• SMF16 – Compliance Oversight</li> <li>• SMF17 – MLRO</li> <li>• SMF18 – Other Overall Responsibility</li> <li>• SMF24 – COO</li> </ul>	<ul style="list-style-type: none"> <li>• SMF21 – EEA Branch Manager Function</li> <li>• SMF17 – MLRO</li> </ul>	<ul style="list-style-type: none"> <li>• SMF19 – Head of Third Country Branch</li> <li>• SMF3 – Executive Director</li> <li>• SMF16 – Compliance Oversight</li> <li>• SMF17 – MLRO</li> </ul>
PRs	None apply	5 (+1 for AFMs) apply	12 (+1 for AFMs) apply	None apply	8 (+1 for AFMs) apply
Duty of Responsibility	Applies to all firms				
Statements of Responsibilities	Applies to all firms				
Responsibilities Maps	X	X	✓	X	X
Handover Procedures	X	X	✓	X	X
Overall Responsibility	X	X	✓	X	X
Certification Regime	Applies to all firms				
Fit and Proper	Applies to all firms				
Conduct Rules	Applies to all firms				