



No.31

Handbook Notice

March 2016

Financial Conduct Authority



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This Handbook Notice introduces the Handbook and other material made by the Financial Conduct Authority (FCA) Board under its legislative powers on 17 March 2016, and rules and standard terms also made by the Financial Ombudsman Service on 9 and 16 March 2016. It also contains information about other publications relating to the Handbook and, if appropriate, lists minor corrections made to previous instruments made by the Board.

Contact names for the individual modules are listed in the relevant Consultation Papers and Policy Statements referred to in this Notice.

General comments and queries on the Handbook can be addressed to:

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However, queries on specific requirements in the Handbook should be addressed first to your normal supervisory contact in the FCA. For most firms this will be the FCA's Contact Centre:

Tel: 0300 500 0597

Fax: 020 7066 0991

Email: firm.queries@fca.org.uk

Post: Contact Centre
Financial Conduct Authority
25 The North Colonnade
Canary Wharf
London E14 5HS

All our publications are available to download from www.fca.org.uk. If you would like to receive this paper in an alternative format, please call 020 7066 0790 or email publications_graphics@fca.org.uk or write to Editorial and Digital Department, Financial Conduct Authority, 25 The North Colonnade, Canary Wharf, London E14 5HS.

1. Overview

Legislative changes

- 1.1** On 9 March 2016, the Board of the Financial Ombudsman Service Ltd made the relevant changes to the Handbook in the instruments listed below, subject to the approval of the FCA. On 17 March 2016, the FCA Board made the relevant changes to the Handbook as set out in those instruments and also approved the changes made by the Board of the Financial Ombudsman Service Ltd.

CP	Title of instrument	Instrument No.	Changes effective
15/19	Small and Medium Sized Business (Credit Information) Instrument 2016	2016/17	1.4.16
15/19	Small and Medium Sized Business Credit Information (Fees) Instrument 2016	2016/18	1.4.16

- 1.2** On 9 March 2016, the Board of the Financial Ombudsman Service Ltd made the relevant changes to the Handbook in the instrument listed below, subject to the consent and approval of the FCA. On 17 March 2016, the FCA Board consented to the making and amendment of the scheme rules by the Financial Ombudsman Service Ltd, and approved the fixing and variation of the standard terms as made by the Board of the Financial Ombudsman Service Ltd.

CP	Title of instrument	Instrument No.	Changes effective
N/A	Fees Manual (Financial Ombudsman Service Case Fees 2016/17) Instrument 2016	FOS 2016/3	1.4.16

- 1.3** On 16 March 2016, the Board of the Financial Ombudsman Service Ltd made the relevant changes to the Handbook in the instruments listed below, subject to the approval of the FCA. On 17 March 2016, the FCA Board made the relevant changes to the Handbook as set out in those instruments and also approved the changes made by the Board of the Financial Ombudsman Service Ltd.

CP	Title of instrument	Instrument No.	Changes effective
15/36	Mortgage Contracts (Legacy CCA) Instrument 2016	2016/22	21.3.16
16/2	Mortgage Credit Directive (Amendment No 3) Instrument 2016	2016/23	20.3.16; 21.3.16

16/5	Peer-to-Peer Lending Instrument 2016	2016/25	6.4.16
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- 1.5** On 17 March 2016, the FCA Board made changes to the Handbook in the instruments listed below.

CP	Title of instrument	Instrument No.	Changes effective
15/42	Training and Competence Sourcebook (Qualifications Amendments No 14) Instrument 2016	2016/16	18.3.16
15/44	Fees (Payment Systems Regulator) Instrument 2016	2016/20	15.4.16
16/3	Financial Services Compensation Scheme (Management Expenses Levy Limit 2016/17) Instrument 2016	2016/21	1.4.16
16/4	Client Assets Sourcebook (Amendment No 9) Instrument 2016	2016/24	21.3.16
15/42	Supervision Manual (Reporting) Instrument 2016	2016/26	31.3.16; 31.10.16
15/28; 15/42	Prospectus Rules Sourcebook (Omnibus 2 Directive Regulatory Technical Standards) Instrument 2016	2016/27	24.3.16

Summary of changes

- 1.6** The legislative changes referred to above are listed and briefly described in Chapter 2 of this Notice.

Feedback on responses to consultations

- 1.7** Consultation feedback is published in Chapter 3 of this Notice or in separate Policy Statements.

FCA Board dates for 2016

- 1.8** The table below contain a list of forthcoming FCA board meetings. These dates are subject to change without prior notice.

April	21
May	26
June	23
July	21
September	22
October	20
November	2 and 3
December	8

2. Summary of changes

- 2.1** This chapter briefly describes FCA Handbook changes made by the Board on 17 March 2016. It also describes changes made by the Board of the Financial Ombudsman Service on 9 and 16 March 2016. Where relevant, it also refers to the development stages of that material, enabling readers to look back at developmental documents if they wish. For information on changes made by the Prudential Regulation Authority (PRA) please see <http://www.bankofengland.co.uk/pr/Pages/publications/default.aspx>

Training and Competence Sourcebook (Qualifications Amendments No 14) Instrument 2016 (FCA 2016/16)

- 2.2** Following consultation in CP15/42¹, the FCA Board has made changes to the FCA Handbook sections listed below:
- Part 2 of TC App 4.1.1E**
- 2.3** In summary, this instrument makes changes to the Handbook to update the appropriate qualification list in Part 2 of TC Appendix 4.1.1E.
- 2.4** This instrument comes into force on **18 March 2016**. Feedback to this consultation is published in Chapter 3 of this Notice.

Small and Medium Sized Business (Credit Information) Instrument 2016 (FCA 2016/17) (FOS 2016/1)

- 2.5** Following consultation in CP15/19², the FCA Board has made changes to the FCA Handbook sections listed below:
- Glossary**
SUP 5
DEPP 2, Schs 3 and 4
DISP 1 and 2
- 2.6** The FCA Board also made the following changes to material outside the FCA Handbook:
- EG 19**
- 2.7** In summary, this instrument implements Handbook changes that we believe are necessary to ensure we have arrangements in place consistent with measures contained in the Small Business Enterprise & Employment Act 2015 and associated secondary legislation to improve access to SME credit data.

¹ CP15/42 *Quarterly Consultation Paper No 11* (December 2015)

² CP15/19 *Quarterly Consultation Paper No 9* (June 2015)

- 2.8** This instrument comes into force on **1 April 2016**. Feedback to this consultation is published in Chapter 3 of this Notice.

Small and Medium Sized Business Credit Information (Fees) Instrument 2016 (FCA 2016/18) (FOS 2016/2)

- 2.9** Following consultation in CP15/19³, the FCA Board has made changes to the FCA Handbook sections listed below:

FEES 1 to 3, and 5 Annex 1R

- 2.10** The Board of the Financial Ombudsman Service has made, and the FCA Board has approved, changes to the FCA Handbook section listed below:

FEES 5.1, 5.5B and Annex 2R

- 2.11** In summary, this instrument introduces a fee regime for designated credit reference agencies pursuant to the Handbook changes that we are making to ensure we have arrangements in place consistent with measures contained in the Small Business Enterprise & Employment Act 2015 described above.

- 2.12** This instrument comes into force on **1 April 2016**. Feedback to this consultation is published in Chapter 3 of this Notice.

Fees Manual (Financial Ombudsman Service Case Fees 2016/17) Instrument 2016 (FOS 2016/3)

- 2.13** Following consultation⁴, the Board of the Financial Ombudsman Service has made, and the FCA Board has approved, changes to the FCA Handbook sections listed below:

FEES 5 Annexes 2R and 3R

- 2.14** In summary, this instrument makes changes to the Handbook to update the lists of constituent firms in the Charging Groups and make minor changes to the volumes in the group fee arrangements.

- 2.15** This instrument comes into force on **1 April 2016**. Feedback to this consultation will be published by the Financial Ombudsman Service.⁵

Fees (Payment Systems Regulator) Instrument 2016 (FCA 2016/20)

- 2.16** Following consultation in CP15/44⁶, the FCA Board has made changes to the FCA Handbook sections listed below:

Glossary

FEES 9, Annex 1R and TP 12

- 2.17** In summary, this instrument makes rules in relation to the 2015/16 regulatory fees to fund the activities of the Payment Systems Regulator. It also brings forward the date of the on-account (to 15 March, instead of 15 April), sets out rules in relation to certain reporting requirements

³ CP15/19 *Quarterly Consultation Paper No 9* (June 2015)

⁴ *Our plans and budget for 2016/17 consultation* (December 2015)

⁵ <http://www.financial-ombudsman.org.uk/publications/plan-budget.htm>

⁶ CP15/44 *PSR regulatory fees 2016/17* (December 2015)

on payment system operators, and clarifies certain points in response to operational questions that have arisen. Payment system denominator information for Fees 9 Annex 1R will follow in a separate Consultation Paper in April 2016.

- 2.18** This instrument comes into force on **15 April 2016**. Feedback to this consultation will be published in a separate Policy Statement.⁷

Financial Services Compensation Scheme (Management Expenses Levy Limit 2016/17) Instrument 2016 (FCA 2016/21)

- 2.19** Following consultation in CP16/3⁸, the FCA Board has made changes to the FCA Handbook section listed below:

FEES 6 Annex 1R

- 2.20** In summary, this instrument makes changes to the Handbook to implement the new MELL (Management Expenses Levy Limit) for 2016/17.

- 2.21** This instrument comes into force on **1 April 2016**. Feedback to this consultation will be published in a separate Policy Statement.

Mortgage Contracts (Legacy CCA) Instrument 2016 (FCA 2016/22) (FOS 2016/4)

- 2.22** Following consultation in CP15/36⁹, the FCA Board has made changes to the FCA Handbook sections listed below:

**Glossary
MIPRU 3 and 4
MCOB 1, 12 and TP 12
SUP 12 and 16
COMP 5**

- 2.23** The FCA Board also made the following changes to material outside the FCA Handbook:
PERG 2, 4, 7 and 8

- 2.24** In summary, this instrument makes rules to bring pre-2004 first charge CCA loans into the mortgage regime in line with the legislative framework.

- 2.25** This instrument comes into force on **21 March 2016**. Feedback to this consultation will be published in a separate Policy Statement.¹⁰

Mortgage Credit Directive (Amendment No 3) Instrument 2016 (FCA 2016/23) (FOS 2016/5)

- 2.26** Following consultation in CP16/2¹¹, the FCA Board has made changes to the FCA Handbook sections listed below:

⁷ To be published prior to 15 April 2016 at <https://www.psr.org.uk/psr-publications>

⁸ CP16/3 *Financial Services Compensation Scheme – management expenses levy limit 2016/17* (January 2016)

⁹ CP15/36 *Future regulatory treatment of CCA regulated first charge mortgages* (November 2015)

¹⁰ PS16/7 *Future regulatory treatment of CCA regulated first charge mortgages* (March 2016)

¹¹ CP16/2 *Mortgage Credit Directive: Minor changes to our rules and guidance* (January 2016)

**Glossary
MCOB 4 and TP 1**

- 2.27** The FCA Board also made the following changes to material outside the FCA Handbook:
PERG 2 and 4
- 2.28** In summary, this instrument makes rule amendments to implement the MCD and reflect draft legislation laid by HM Treasury.
- 2.29** Part of this instrument comes into force on **20 March 2016**, and the remainder on **21 March 2016**. Feedback to this consultation is published in Chapter 3 of this Notice.

Client Assets Sourcebook (Amendment No 9) Instrument 2016 (FCA 2016/24)

- 2.30** Following consultation in CP16/4¹², the FCA Board has made changes to the FCA Handbook sections listed below:
**Glossary
SYSC 4
CASS 7, TP 1, Schs 1 and 2
SUP TP 1**
- 2.31** In summary, this instrument makes rules to simplify client money requirements for firms that operate loan-based crowdfunding platforms and hold money in relation to both regulated and unregulated peer-to-peer business.
- 2.32** This instrument comes into force on **21 March 2016**. Feedback to this consultation will be published in a separate Policy Statement.¹³

Peer-to-Peer Lending Instrument 2016 (FCA 2016/25) (FOS 2016/6)

- 2.33** Following consultation in CP16/5¹⁴, the FCA Board has made changes to the FCA Handbook sections listed below:
**Glossary
SYSC 1 and 4
TC 2, App 1.1 and 4.1, TP 8
FEES 4
COBS 2, 4, 6, 9 and 14
CASS 7
SUP 10A, 12, 16, App 3
DISP 2
COLL 6**
- 2.34** The FCA Board also made the following changes to material outside the FCA Handbook:
PERG 1, 2, 5, 7, 8, 10 and 13

¹² CP16/4 *Loan-based crowdfunding platforms and segregation of client money* (January 2016)

¹³ PS16/8 *FCA Handbook changes regarding the segregation of client money on loan-based crowdfunding platforms, the Innovative Finance ISA, and the regulated activity of advising on peer-to-peer agreements* (March 2016)

¹⁴ CP16/5 *Handbook changes to reflect the introduction of the Innovative Finance ISA and the regulated activity of advising on peer-to-peer agreements* (February 2016)

- 2.35** In summary, this instrument makes changes to the Handbook to support the introduction of the Innovative Finance ISA (IFISA) and new regulated activity of advising on P2P agreements. The changes seek to secure an appropriate degree of protection for consumers by clarifying our expectations about standards for IFISA disclosures and establishing a regulatory regime for the provision of regulated advice on P2P agreements.
- 2.36** This instrument comes into force on 6 April 2016. Feedback to this consultation will be published in a separate Policy Statement.¹⁵

Supervision Manual (Reporting) Instrument 2016 (FCA 2016/26)

- 2.37** Following consultation in CP15/42¹⁶, the FCA Board has made changes to the FCA Handbook section listed below:
- SUP 16**
- 2.38** In summary, this instrument makes rules to improve the clarity of guidance notes and change submission methods for compliance reporting.
- 2.39** Part of this instrument comes into force on **31 March 2016**, and the remainder on **31 October 2016**. Feedback to this consultation is published in Chapter 3 of this Notice.

Prospectus Rules Sourcebook (Omnibus 2 Directive Regulatory Technical Standards) Instrument 2016 (FCA 2016/27)

- 2.40** Following consultation in CP15/28¹⁷ and CP15/42¹⁸, the FCA Board has made changes to the FCA Handbook sections listed below:
- Glossary**
LR 4
PR 1 to 3, 5, App 1.1
- 2.41** In summary, this instrument principally amends the Prospectus Rules sourcebook to align it with regulatory technical standards (RTS) in the Commission Delegated Regulation (EU) 2016/301.
- 2.42** This instrument comes into force on **24 March 2016**. Feedback to this consultation is published in Chapter 3 of this Notice. Note that three forms amended as a result of the provisions of Commission Delegated Regulation (EU) 2016/301 are also included in an Appendix at the back of this Notice. These forms do not sit inside the Handbook but can be found on the UKLA section of fca.org.uk.

¹⁵ PS16/8 *FCA Handbook changes regarding the segregation of client money on loan-based crowdfunding platforms, the Innovative Finance ISA, and the regulated activity of advising on peer-to-peer agreements* (March 2016)

¹⁶ CP15/42 *Quarterly Consultation Paper No 11* (December 2015)

¹⁷ CP15/28 *Quarterly Consultation Paper No 10* (September 2015)

¹⁸ CP15/42 *Quarterly Consultation Paper No 11* (December 2015)

3. Consultation feedback

- 3.1** This chapter provides feedback on consultations that will not have a separate Policy Statement published by the FCA.

CP15/42 Quarterly Consultation Paper No 11 – Changes to the Training and Competence sourcebook (TC)

Training and Competence Sourcebook (Qualifications Amendments No 14) Instrument 2016

Background

- 3.2** The Training and Competence sourcebook (TC) sets out the qualification requirements for individuals carrying out certain retail activities, for example advising on retail investment products. We consult for one month each time a qualification is added or amended on the list of appropriate qualifications.

Summary of proposals

- 3.3** In CP15/42¹⁹ we proposed amending the details of the following qualifications on the list of appropriate qualifications in Part 2 of TC App 4.1.1E:
- Chartered Insurance Institute – CF1: UK financial services, regulation and ethics. This is proposed to be listed as being appropriate for TC activities 10, 14, 15, 16, 17, 18 and 19 (key 3²⁰, 4 and 3, 5). It is currently listed as being appropriate for activities 15, 16, 17, 18 and 19 (key 4 and 5).
 - Chartered Insurance Institute – RO1 Paper: Regulation and Ethics. This is proposed to be listed as being appropriate for TC activities 10, 14, 15, 16, 17, 18 and 19 (key 3, 4 and 3, 5). It is currently listed as being appropriate for activities 15, 16, 17, 18 and 19 (key 4 and 5).
- 3.4** We also proposed adding the following new qualification to the appropriate qualifications list in Part 2 of TC App 4.1.1E:
- Chartered Institute for Securities and Investment (CISI) – (Formerly the Securities and Investment Institute (SII); formerly The Securities Association) – Investment Operations Certificate – Client Money and Assets being appropriate for activity 16 (key 6)

Feedback

- 3.5** We received no responses to the proposal.

¹⁹ CP15/42 *Quarterly Consultation Paper No 11* (December 2015)

²⁰ UK Financial Services Regulation and Ethics examination standard.

Our response

- 3.6** We will go ahead and make the changes to our appropriate qualifications list.

Cost benefit analysis and compatibility statement

- 3.7** Both the cost benefit analysis and compatibility statement remain as published in CP15/42.

Equality and diversity issues

- 3.8** We continue to believe these changes do not give rise to any discrimination.

- 3.9** The changes made by this instrument are listed in Chapter 2 of this Notice.

CP15/19 Quarterly Consultation Paper No 9 – Changes relating to HM Treasury SME finance measures

Small and Medium Sized Business (Credit Information) Instrument 2016
Small and Medium Sized Business Credit Information (Fees) Instrument 2016
Background

- 3.10** The Small Business, Enterprise and Employment Act 2015²¹ contains measures aimed at improving access to credit information about small and medium-sized businesses (SMEs). Detailed provisions are set out in secondary legislation²² (the Regulations) that requires the FCA to maintain arrangements to monitor and enforce relevant requirements. In June 2015 we consulted on the Handbook changes we believe are necessary to ensure we have arrangements in place consistent with this legislation.

Feedback

- 3.11** We did not receive any responses to the consultation which are relevant to these instruments that make Handbook changes reflecting the designation of banks and credit reference agencies (CRAs).

Our response

- 3.12** In light of the above we have not received any evidence justifying a change to our proposed approach. Consequently, these instruments do not significantly differ from those consulted on. In our Consultation Paper CP15/19, Quarterly Consultation Paper No. 9 we proposed Handbook changes reflecting the designation of banks, CRAs and finance platforms. However, the changes made by both these instruments relate only to the designation of banks and CRAs. Further Handbook changes to reflect the designation of finance platforms will be made at a later time in line with the timescale for their designation by HM Treasury.

Cost benefit analysis and compatibility statement

- 3.13** We published a cost benefit analysis and a compatibility statement in our Consultation Paper. These are unchanged and remain valid.

²¹ See sections 4 to 9 of the Act <http://www.legislation.gov.uk/ukpga/2015/26/contents/enacted/data.htm>

²² <http://www.legislation.gov.uk/uksi/2015/1945/contents/made>
<http://www.legislation.gov.uk/uksi/2015/1946/contents/made>

Equality and diversity issues

- 3.14** We published an equality statement in our Consultation Paper and remain of the view that the changes do not give rise to any concerns for particular groups as a result of any protected characteristic.
- 3.15** The changes made by these instruments are listed in Chapter 2 of this Notice.

CP16/2 Mortgage Credit Directive: Minor changes to our rules and guidance

Mortgage Credit Directive (Amendment No 3) Instrument 2016

Background

- 3.16** In CP16/2²³ we proposed changes to our Perimeter Guidance Manual (PERG) and Handbook Glossary to reflect draft legislation laid by HM Treasury. The legislation clarifies the regulatory status of housing association mortgages and other agreements which were entered into before 1 April 2014 and are regulated under the Consumer Credit Act.
- 3.17** We also proposed minor changes to the Mortgage and Home Finance: Conduct of Business Sourcebook (MCOB) to implement the Mortgage Credit Directive (MCD), including amendments to:
- MCOB 4.4A on initial disclosure to align more directly with the MCD, and
 - the MCOB transitional provisions for the ‘topped up’ Key Facts Illustration to ensure the inclusion of a monthly payment figure, should interest rates rise to a 20-year high.

Feedback

- 3.18** We received seven responses in total. The proposed changes to the Glossary and PERG were largely welcomed by respondents, though one building society questioned whether the legislation unintentionally took some historic regulated credit agreements out of the perimeter. Respondents also agreed with the proposal for the Financial Ombudsman Service (the ombudsman) to mirror the changes to the Glossary for the Voluntary Jurisdiction.
- 3.19** The proposed change to MCOB 4.4A was welcomed by the majority of respondents, who stated that they felt the original requirement for lenders to provide an initial disclosure in a durable medium went beyond the requirements of the MCD. However, one trade body felt the change resulted in an uneven playing field between lenders and intermediaries, which could lead to inconsistencies for consumers. Another respondent expressed the view that a verbal initial disclosure would be more appropriate for face-to-face or telephone sales.
- 3.20** Although most respondents agreed that the proposed change to the MCOB transitional provisions was necessary to implement the MCD, three respondents expressed concern on the timing of the proposed change. This is because most firms have already set up their IT systems for MCD implementation without taking account of the additional proposed disclosure.

²³ CP16/2 *Mortgage Credit Directive: Minor changes to our rules and guidance* (January 2016)

Our response

- 3.21** Most of our proposed changes to the Glossary and PERG will remain as consulted upon; however, HM Treasury have amended the legislation to clarify the perimeter matter raised in consultation and we have made parallel amendments to the affected Glossary definition.
- 3.22** Given that the majority of respondents agreed with the proposed change to MCOB 4.4A, we intend to proceed without further changes to ensure that the MCD initial disclosure rules do not apply more widely than required by the Directive. We acknowledge that this results in different initial disclosure obligations for lenders and intermediaries and consequently a different consumer experience. However, our approach to implementing the MCD has been to not extend MCD requirements beyond the scope set out in the Directive. The proposed changes reflect this approach. We have not reduced the disclosure requirements for lenders; the changes will not remove the obligation to provide the initial disclosure information, merely the obligation to provide it in a durable medium in the circumstances set out in CP16/2. We note the view that oral disclosure might be more effective for face-to-face or telephone sales. However, the Directive makes it clear that before providing advisory services firms must make an initial disclosure in a durable medium, and we are obliged to follow this approach.
- 3.23** We also intend to proceed with the proposed approach to the MCOB transitional provisions, though we note the concern expressed by some respondents about the timing of the change. We regret the fact that firms have not had as much notice of this particular amendment as they have had with the rest of the changes brought about by the MCD, which were contained in the rules published in PS15/9.²⁴ However, firms should ensure that they amend their systems as soon as possible to reflect the amended transitional rule.
- 3.24** Some respondents also made comments and raised queries on a number of issues which are outside of the scope of this consultation. We have not summarised these points in this Handbook Notice. However, where appropriate we will address these with consultation respondents directly.

Cost benefit analysis and compatibility statement

- 3.25** We did not receive any feedback to suggest that the proposals we are implementing represent anything other than minimal costs for firms. The only exception to this was the change to the MCOB transitional provisions. However, as this change is part of our implementation of the MCD, the costs and benefits were included in the cost benefit analysis (CBA) figures for CP14/20.²⁵ The rules published in this Handbook Notice do not differ from the draft published in CP16/2 in a way which is, in our opinion, significant; therefore we are not required to produce a new CBA or mutual societies impact statement (see section 138I(5) of the Financial Services and Markets Act). In light of the consultation feedback we consider that both the cost benefit analysis and mutual societies impact statement from CP16/02 remain unchanged.

Equality and diversity issues

- 3.26** We continue to believe that these changes do not give rise to any equality and diversity issues, nor do they give rise to unfair discrimination against protected groups as set out in CP16/2.
- 3.27** The changes made by this instrument are listed in Chapter 2 of this Notice.

²⁴ PS15/9 *Implementation of the Mortgage Credit Directive and the new regime for second charge mortgages, feedback to CP14/20 and final rules* (March 2015)

²⁵ CP14/20 *Implementing the Mortgage Credit Directive and the new regime for second charge mortgages* (September 2014)

CP15/42 Quarterly Consultation Paper No 11 – Changes to compliance, financial crime and Mortgage Lenders and Administrators (MLA) reporting

Supervision Manual (Reporting) Instrument 2016

Background

- 3.28** In December 2015 we set out proposed amendments to parts of Chapter 16 of the Supervision manual (SUP). These improved the clarity of guidance notes and changed the submission methods for compliance reporting.

Feedback

- 3.29** We received one response to our proposals to amend the submission method for compliance reporting. The feedback expressed concerns about adding an additional return to the firm's accounting reference date, which is typically a busy reporting period.

Our response

- 3.30** The proposed amendments have not changed the return's due date, which is six months after the firm's accounting reference date. We have not changed our proposal as a result of this feedback.

Cost benefit analysis and compatibility statement

- 3.31** The cost benefit analysis and compatibility statement from Chapter 6 of CP15/42²⁶ have not changed as a result of this feedback.

Equality and diversity issues

- 3.32** We continue to believe these changes do not give rise to any equality and diversity issues, nor do they give rise to unfair discrimination against protected groups as set out in Chapter 6 of CP15/42.

- 3.33** The changes made by this instrument are listed in Chapter 2 of this Notice.

CP15/28 Quarterly Consultation Paper No 10 and CP15/42 Quarterly Consultation Paper No 11 – Prospectus rules and consequential amendments pursuant to regulatory technical standards

Prospectus Rules Sourcebook (Omnibus 2 Directive Regulatory Technical Standards) Instrument 2016

Background

- 3.34** In our September 2015 Quarterly Consultation²⁷ we consulted on changes to our Prospectus Rules sourcebook (PR) to bring it into line with draft regulatory technical standards (RTS) on the Prospectus Directive arising from the Omnibus II Directive which were published by the European Services and Markets Authority (ESMA) on 25 June 2015.²⁸ The RTS relate to:

²⁶ CP15/42 Quarterly Consultation Paper No 11 (December 2015)

²⁷ CP15/28 Quarterly Consultation Paper No 10, Chapter 8 (September 2015)

²⁸ ESMA/2015/1014

- approval of prospectuses
- publication of prospectuses, and
- advertisements

3.35 On 30 November 2015 the European Commission adopted and published a delegated regulation containing the draft RTS.²⁹

3.36 In our December 2015 Quarterly Consultation³⁰ we consulted on the impact of our proposed changes to the PR on our Listing Rules sourcebook provisions for listing particulars.

3.37 Following the expiry of the objection periods for the Council of the European Union and the European Parliament, the RTS were published in the EU Official Journal on 4 March 2016 as Commission Delegated Regulation (EU) 2016/301.

Feedback

3.38 We received two responses to our September consultation and no responses to the December consultation.

- Respondents asked whether, following the RTS coming into force, the FCA will continue to require draft prospectuses (and materials incorporated by reference) to be annotated with marginal references to the disclosure obligations under the prospectus regime.
- One respondent suggested that more extensive cross-referencing within the PR could be made to component parts of the RTS.
- One respondent queried whether, in future, a Transaction Review Submissions Information Sheet must be submitted alongside all types of prospectuses, which is not the case at present.
- One respondent enquired whether changes would be made to the three forms which we had included in Appendix 8C to the September consultation.
- One respondent asked whether changes would be needed to a number of UK Listing Authority (UKLA) Procedural Notes and Technical Notes as a result of the changes introduced by the RTS.

Our response

3.39 We have addressed the matters raised as follows:

- We note that under the new arrangements the annotation of draft prospectuses (and materials incorporated by reference) with marginal reference becomes voluntary.
- Although the RTS are directly applicable, our approach has been to include cross-referencing to, or reproduction of, provisions of the RTS where we felt it would be particularly useful to stakeholders.
- We have removed the requirement for the Transaction Review Submissions Information Sheet.

²⁹ C(2015) 8379 final

³⁰ CP15/42 *Quarterly Consultation Paper No 11*, Chapter 9 (December 2015)

- We attach as an Appendix (p.18) revised versions of the three forms.
- The UKLA intend to consult on consequential changes to relevant Procedural Notes and Technical Notes in the very near future.

3.40 The instrument does not differ significantly from the drafts in CP15/28 and CP15/42.

Cost benefit analysis and compatibility statement

3.41 We continue to believe, as stated in both our September and December consultations, that the cost benefit analyses and the statements of compatibility with the FCA's statutory objectives remain valid.

Equality and diversity issues

3.42 We continue to believe, as stated in both our September and December consultations, that the rule changes we are making do not adversely impact any of the groups with protected characteristics, i.e. age, disability, sex, pregnancy and maternity, race, religion and belief, marriage/civil partnership, sexual orientation and gender reassignment.

3.43 The changes made by this instrument are listed in Chapter 2 of this Notice.

4. Additional information

Making corrections

- 4.1** The FCA reserves the right to make correctional or clarificatory amendments to the instruments made at the Board meeting without further consultation should this prove necessary or desirable.

Publication of Handbook material

- 4.2** This Notice is published on the FCA website.
- 4.3** The formal legal instruments (which contain details of the changes) can be found on the FCA's website listed by date, reference number or module at <https://www.handbook.fca.org.uk/>. The definitive version of the Handbook at any time is the version contained in the legal instruments.
- 4.4** The changes to the Handbook are incorporated in the consolidated Handbook text on the website as soon as practicable after the legal instruments are published.
- 4.5** The consolidated text of the Handbook can be found on the FCA's website at <https://www.handbook.fca.org.uk>.
- 4.6** Copies of the FCA's consultation papers are available on the FCA's website.

Obligation to publish feedback

- 4.7** This Notice, and the feedback to which paragraph 1.5 refers, fulfil the FCA Board's obligations under sections 138I(4) and (5) and similar sections of the Financial Services and Markets Act 2000 ('the Act'). These obligations are to publish an account of representations received in response to consultation and the FCA's response to them, and to publish details of any significant differences between the provisions consulted on and the provisions made by the Board, with a cost benefit analysis and a statement under section 138K(4) of the Act if a proposed rule applies to authorised persons, including mutual societies.

Comments

- 4.8** We always welcome feedback on the way we present information in the Handbook Notice. If you have any suggestions, please use the contact details at the front of this Notice.

5. Appendix – Revised prospectus forms

FORM A

Application for the approval of a prospectus in accordance with Part VI of the Financial Services and Markets Act 2000 (FSMA) as amended

To: **Financial Conduct Authority**

Date:

_____ [insert name of issuer, offeror, or person seeking admission to trading on a regulated market] (the 'applicant') hereby applies for the draft prospectus¹/registration document/securities note and summary² attached hereto to be approved by the FCA.

Confirmation:

We acknowledge our obligations under FSMA as amended, the Prospectus Directive Regulation and the Prospectus Rules and the legal implications of approval of a prospectus/registration document/securities note and summary under those provisions. Accordingly we confirm, in relation to the application for approval of the attached prospectus/registration document/securities note and summary that:

- (a) the United Kingdom is our Home Member State under the Prospectus Directive;
- (b) all information required to be included in a prospectus/registration document/securities note and summary has been included therein, or if the final version has not yet been submitted, will be included therein prior to submission; and
- (c) all the documents and information required to be provided with the application have been or will be supplied in accordance with the Prospectus Rules and all other requirements of the FCA in respect of this application have been or will be complied with.

Signed

Director or Secretary or other duly authorised officer for and on behalf of

Name of Applicant

Attachments:

- Draft prospectus/registration document/securities note and summary
- The documents referred to in PR 3.1.43R and, where applicable, documents referred to in Article 2(2) of Commission Delegated Regulation (EU) 2016/301
- The applicable fee

1 References to prospectus in this form include a base prospectus and a supplementary prospectus
2 Please delete as appropriate

PROSPECTUS PUBLICATION FORM

As set out in *PR 3.2.7G*, the FCA will publish on its website, a list of prospectuses approved over the previous 12 months. [In accordance with the FCA's obligations under Article 10 of Commission Delegated Regulation \(EU\) 2016/301](#), this list will specify **how** the prospectuses have been made available and **where they can be obtained**. [This will list also include](#) ~~including~~ a hyperlink to the prospectus published on the issuer's or its financial intermediaries' websites and, if applicable, the website of the regulated market on which admission is sought.

Under the Prospectus Directive, a variety of publication options are available to issuers/offerors or persons requesting admission to trading on a regulated market.¹ These options are set out in *PR3.2.4R*. Therefore when completing this form, a number of boxes may not apply and you may leave them blank. However, a person publishing a prospectus in accordance with *PR3.2.4R(1)* or (2) must also publish their prospectus electronically in accordance with *PR3.2.4R (3)*.

[Please note that further requirements regarding the publication of prospectuses are set out in Chapter II of Commission Delegated Regulation \(EU\) 2016/301.](#)

[Please note that, as a result of the requirements in LR4.3.5R, this form should also be completed for listing particulars.](#)

The information you give us on this form will appear on our website shortly after your prospectus is approved.

Approved prospectus details

Publication/ approval date	Name(s) of issuer/offeror and/or person requesting admission to trading	Prospectus title	Admission date / offer date

Option 1 - Publication by being made available at office of the issuer and financial intermediaries*

The prospectus is to be made available in a printed form, free of charge, at the registered office of the issuer **and** at the offices of the financial intermediaries (*PR 3.2.4R(2)*):

	Issuer	and	Intermediary**
Name:			Name:
Address:			Address:

*[Please note the requirements of Article 6\(3\) and \(4\) of Commission Delegated Regulation \(EU\) 2016/301.](#)

**Where more than one, please complete for each financial intermediary.

Please note that where this option is chosen, you must also complete Option 6 (*PR3.2.4AR*).

¹ The requirements to publish a prospectus under ~~*PR3.2.2R*~~ ~~*PR3.2.6R*~~ are in addition to, and distinct from, the obligation to file a prospectus with the FCA (via the national storage mechanism) under *PR3.2.1R* and *PR3.2.1AR*.

Option 2 - Publication on website of the issuer or financial Intermediaries

The issuer must make its prospectus available in an electronic form on its website or, if applicable, on that of its financial intermediaries placing or selling the transferable securities, including paying agents (PR 3.2.4R(3) and PR3.2.4A). A paper copy of the prospectus can be obtained by calling the following telephone numbers (PR 3.2.6R):

	Issuer		Intermediary**
Website address*:		Website address*:	
Tel no:		Tel no:	

* Please provide a website address that takes an investor to a webpage from which they can access the document itself, rather than the generic website home page of the issuer or financial intermediary.

** Where more than one, please complete for each financial intermediary.

Option 3 - Publication by being made available at office of a regulated market

If applicable, the prospectus is to be made available in a printed form, free of charge, at the offices of the following regulated market where admission to trading is sought (PR 3.2.4R(2)):

Market:	
Address:	

Please note that where this option is chosen, you must also complete Option 6 (PR3.2.4AR).

Option 4 - Publication on the website of a regulated market*

If applicable, the prospectus is to be made available in an electronic form on the website of the regulated market where admission to trading is sought (PR 3.2.4R(4)):

Website address**:	
---------------------------	--

* [Please note the requirements of Article 6\(3\) and \(4\) of Commission Delegated Regulation \(EU\) 2016/301.](#)

**Please provide a website address that takes an investor to a webpage from which they can access the document itself, rather than the generic website home page of the market.

Option 5 - Publication in a newspaper*

The prospectus is to be made available in printed form in the following newspaper edition (PR 3.2.4R(1)):

Newspaper**	
Edition	

(dd/mm/yy)	
-------------------	--

* [Please note the requirements of Article 8 of Commission Delegated Regulation \(EU\) 2016/301.](#)

**Where more than one, please complete for each newspaper.

Please note that where this option is chosen, you must also complete Option 6 (PR3.2.4AR).

Option 6 – Additional website publication where Options 1, 3 or 5 chosen*

	Issuer		Intermediary***
Website address**:		Website address**:	
Tel no:		Tel no:	

* [Please note the requirements of Article 6\(3\) and \(4\) of Commission Delegated Regulation \(EU\) 2016/301.](#)

**Please provide a website address that takes an investor to a webpage from which they can access the document itself, rather than the generic website home page of the issuer or financial intermediary.

***Where more than one, please complete for each financial intermediary.

ISSUER CONTACT DETAILS FORM

New Applicants: Please complete all sections below so that we can set up our records correctly. This information will be used if we need to contact you in the future.

Other Issuers: If the information shown below has changed since your last listing application [or submission of a prospectus for approval](#) please complete the relevant sections.

Full name of Issuer

Country of Incorporation

Registered Office

Address:

Postcode

Telephone Number Fax Number

Website (if applicable)

Main Contact (usually Company Secretary)

Name

Position

Address:

(if different to above)

Postcode

Telephone Number Fax Number

Email (if applicable)

Preferred Contact Method:

Other Information

Sponsor/Broker ([\[or other\]](#) main contact for the issuer)

Persons authorised to release information on behalf of the company

Accounting Reference Date First year end date

Financial Conduct Authority



PUB REF: 004954

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