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Extension of the Senior Managers & Certification Regime implementation period

Of particular interest to: All firms

In brief

The deadline for solo regulated firms to have undertaken the first assessment of their Certified Persons has been **delayed** from 9 December 2020 to **31 March 2021**. The extension of the deadline is to allow firms that have been significantly affected by the Coronavirus pandemic time to make the changes they need. However firms that are able to certify staff earlier than the new deadline should continue to do so.

Notwithstanding this extension, the FCA will still publish details of certified and assessed persons from 9 December 2020 ("FCA Directory") as mentioned in our Alert last month.

Summary

As of 9 December 2019, the Senior Managers and Certification Regime ("SM&CR") replaced the Approved Persons Regime for most firms. The aim of the SM&CR is to reduce harm to consumers and strengthen market integrity by making individuals more accountable for their conduct and competence.

The SM&CR consist of three key pillars:

- **Senior Managers Regime (SMR)**, which is applicable for the Senior Managers who perform key roles ("Senior Management Functions" – "SMF"). Prescribed responsibilities set out by the FCA must be allocated to an appropriate Senior Manager, who must take reasonable steps to prevent the occurrence of a regulatory breach
- **The Certification Regime (CR)**, which requires firms to assess the fitness and propriety of certain individuals who could harm the firm or its customers
- **Conduct Rules**, which are high level standards of behaviour expected of those working in financial services

Although the SMR applied from 9 December 2019 there were two transitional provisions to help firms move to the CR:

1. Whilst firms needed to have identified their certification staff at the start of the regime they had a further 12 months to complete the initial assessment and certification process. The extension means that this process must now be completed by 31 March 2021

2. Although Senior Managers and certification staff had to be trained on, and had to abide by, the Conduct Rules from the start of the regime, firms had a further 12 months to train their other staff on the Conduct Rules. This period may also be extended – see below.

The FCA intends to consult on extending the deadline for the following requirements:

- the date the Conduct Rules come into force
- the deadline for submission of information about Directory Persons to the Register
- references in their rules to the deadline for assessing Certified Persons as fit and proper (which has been agreed by the Treasury)

Useful Links

[Extension of SM&CR](#)

[Guide for FCA Solo Regulated Firms](#)

[June Alert re Directory](#)

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