

HANDBOOK ADMINISTRATION (NO 16) INSTRUMENT 2009**Powers exercised**

- A. The Financial Services Authority makes this instrument in the exercise of the powers and related provisions listed in Schedule 4 (Powers exercised) to the General Provisions of the Handbook.
- B. The rule-making powers referred to above are specified for the purpose of section 153(2) (Rule-making instruments) of the Act.

Commencement

- C. This instrument comes into force as follows:
- (1) Annex J (LR) comes into force on 31 December 2009;
 - (2) Annex E (IPRU(INV)) comes into force on 31 December 2011;
 - (3) the remainder of this instrument comes into force on 6 January 2010.

Amendments to the Handbook

- D. The modules of the FSA's Handbook of rules and guidance listed in column (1) below are amended in accordance with the Annexes to this instrument listed in column (2).

(1)	(2)
Glossary of definitions	Annex A
General Provisions (GEN)	Annex B
Prudential sourcebook for Insurers (INSPRU)	Annex C
Prudential sourcebook for Mortgage and Home Finance Firms, and Insurance Intermediaries (MIPRU)	Annex D
Interim Prudential sourcebook for Investment Businesses (IPRU(INV))	Annex E
Supervision manual (SUP)	Annex F
Decision Procedure and Penalties manual (DEPP)	Annex G
Disputes Resolution: Complaints sourcebook (DISP)	Annex H
Compensation sourcebook (COMP)	Annex I
Listing Rules sourcebook (LR)	Annex J

Amendments to material outside the Handbook

- E. The Perimeter Guidance manual (PERG) is amended in accordance with Annex K to this instrument. The general guidance in PERG does not form part of the Handbook.

Citation

- F. This instrument may be cited as the Handbook Administration (No 16) Instrument 2009.

By order of the Board
10 December 2009

Annex A

Amendments to the Glossary of definitions

In this Annex, underlining indicates new text and striking through indicates deleted text.

client (1) (except in *PROF*, and except in relation to a *home finance transaction*) has the meaning given in *COBS* 3.2, ...

...

*complaints time
barring rules* *DISP* ~~1.7~~ 1.8.

secondary listing (in *LR*) a listing by the FSA of equity securities ~~of an overseas company~~ which is not a *primary listing*.

[Editor's Note: The definition of "secondary listing", as amended by this Annex, will be deleted w.e.f. 6 April 2010 as a result of the Listing Rules Sourcebook (Amendment No 3) Instrument 2009 (FSA 2009/54).]

Annex B

Amendments to the General Provisions (GEN)

In this Annex, underlining indicates new text and striking through indicates deleted text.

- 2.1.8 R ~~{deleted}~~ This chapter applies to all rules made by *FOS Ltd*.
- 2.1.9 G ~~{deleted}~~ The effect of *GEN 2.1.8R* is that this chapter applies with respect to those provisions in *DISP 2* (Jurisdiction of the Financial Ombudsman Service), *DISP 3* (Complaint handling procedures of the Financial Ombudsman Service), *DISP 4* (Standard terms) and *FEES 5* (Financial Ombudsman Service Funding) made by *FOS Ltd*.

Sch 4 Powers exercised

...

- 4.11 G *GEN 2.1.8R* is made by *FOS Ltd* in the exercise of its powers referred to in Schedule 4 to *DISP*.

Annex C

Amendments to the Prudential sourcebook for Insurers (INSPRU)

In this Annex, underlining indicates new text and striking through indicates deleted text.

8 General provisions applying INSPRU and GENPRU to Lloyd's

...

8.3 The Central Fund

Application

8.3.1 R This ~~chapter~~ section applies to the *Society*.

Purpose

8.3.2 G The *rules* and *guidance* in this ~~chapter~~ section ...

Enabling Provision

8.3.3 D The directions in this ~~chapter~~ section ...

8.3.4 D The directions given in this ~~chapter~~ section ...

...

8.4 Capacity Transfer Market

Application

8.4.1 R This ~~chapter~~ section applies to the *Society*.

Purpose

8.4.2 G The *rules* and *guidance* in this ~~chapter~~ section ...

...

8.5 Former underwriting members

Application

8.5.1 R This ~~chapter~~ section applies to the *Society*.

Purpose

8.5.2 G The *rules* and *guidance* in this ~~chapter~~ section ...

Annex D

**Amendments to the Prudential sourcebook for Mortgage and Home Finance Firms, and
Insurance Intermediaries (MIPRU)**

In this Annex, underlining indicates new text and striking through indicates deleted text.

TP1 Transitional Provisions

TP 1.1

(1)	(2) Material to which the transitional provision applies	(3)	(4) Transitional provision	(5) Transitional provision: dates in force	(6) Handbook provision: coming into force
1	<i>MIPRU</i> 4.4.4R and <i>MIPRU</i> 4.4.8R(3)	R	A firm is not required to include goodwill in its intangible assets until 14 January 2008. <u>[expired]</u>	From 31 October 2004 until 14 January 2008	31 October 2004
...					

Annex E**Amendments to the Interim Prudential sourcebook for Investment Businesses
(IPRU(INV))**

In this Annex, underlining indicates new text and striking through indicates deleted text.

Comes into force on 31 December 2011

13.3.10 R (1) A *category B firm* must be able to calculate its capital resources at any time in accordance with table 13.3.10 on the basis of the balance sheet drawn up by the *firm* at that time.

(a)

(b) ~~a or to which 13.12 applies must adjust the assets in the balance sheet as specified in Part 1 of table 13.12.3(2) and include the liabilities after making the adjustments specified in Part II of table 13.12.3(2).~~

Annex F

Amendments to the Supervision manual (SUP)

In this Annex, underlining indicates new text and striking through indicates deleted text.

16 Annex 24R **Data items for ~~SUP 16.7~~ and SUP 16.12**

...

16 Annex 25G **Guidance notes for data items in SUP 16 Annex 24GR**

...

Sch 4 **Powers exercised**

4.1 G

The following powers and related provisions in or under the <i>Act</i> have been exercised by the <i>FSA</i> to make the <i>rules</i> in <i>SUP</i> :	
	...
	Section 341 ...
	<u>Paragraph 17(1) (Fees) of Schedule 1 (The Financial Services Authority)</u>
	...

Annex G

Amendments to the Decision Procedure and Penalties manual (DEPP)

In this Annex, the text is all new and is not underlined.

After DEPP Transitional Provisions, insert the following.

Schedule 1 Record keeping requirements

1.1 G There are no record-keeping requirements in *DEPP*.

Schedule 2 Notification requirements

2.1 G There are no notification requirements in *DEPP*.

Schedule 3 Fees and other required payments

3.1 G There are no requirements for fees in *DEPP*.

3.2 G The *FSA*'s power to impose financial penalties is contained in:

	Section 206 (Financial penalties) of the <i>Act</i>
	Part III of Schedule 1 (The Financial Services Authority) to the <i>Act</i>
	the <i>Money Laundering Regulations</i>
	the Transfer of Funds (Information on the Payer) Regulations 2007 (SI 2007/3298)
	the <i>RCB Regulations</i>
	the <i>Payment Services Regulations</i>

Schedule 4 Powers exercised

4.1 G The following powers and related provisions in or under the *Act* have been exercised by the *FSA* to make the statements of policy in *DEPP*:

	Section 69 (Statement of policy) (including as applied by paragraph 1 of Schedule 5 to the <i>Payment Services Regulations</i>)
	Section 93(1) (Statement of policy)
	Section 124(1) (Statement of policy)
	Section 157(1) (Guidance)

	Section 169(9) (Investigations etc in support of overseas regulator) (including as applied by paragraph 3 of Schedule 5 to the <i>Payment Services Regulations</i>)
	Section 210(1) (Statements of policy) (including as applied by regulation 86(6) of the <i>Payment Services Regulations</i>)
	Section 395 (The Authority’s procedures) (including as applied by paragraph 7 of Schedule 5 to the <i>Payment Services Regulations</i>)
	Paragraph 16 (Penalties) of Schedule 1 (The Financial Services Authority)

4.2 G The following additional powers and related provisions have been exercised by the *FSA* to make the statements of policy in *DEPP*:

	Regulation 42 (Guidance) of the <i>RCB Regulations</i>
	Regulation 44 (Warning notices and decision notices) of the <i>RCB Regulations</i>
	Regulation 93 (Guidance) of the <i>Payment Services Regulations</i>

Schedule 5 Rights of action for damages

5.1 G There are no rules in *DEPP*.

Schedule 6 Rules that can be waived

6.1 G There are no rules in *DEPP*.

Annex H

Amendments to the Dispute Resolution: Complaints sourcebook (DISP)

In this Annex, underlining indicates new text and striking through indicates deleted text, unless otherwise stated.

TP 1 Transitional provisions

TP 1.1 Transitional Provisions table

(1)	(2) Material provision to which transitional provision applies	(3)	(4) Transitional provision	(5) Transitional provision: dates in force	(6) Handbook provision: coming into force
...					
18	<i>DISP</i> 1.10.1R and <i>DISP</i> 1.10.2R, <i>DISP</i> 1.10.4R and <i>DISP</i> 1 Annex 1R	R	<p>(1) Solely in respect of information regarding any <i>reversion activity</i> or <i>home purchase activity</i> required to be reported in <i>DISP</i> 1.10.1R and <i>DISP</i> 1.10.2R, a <i>firm</i> is not required to include such information in respect of relevant reporting periods (as set out in <i>DISP</i> 1.10.4R) ending before 1 October 2007;</p> <p>(2) For the purpose of reporting complaints under generic product types in <i>DISP</i> 1 Annex 1R:</p> <p>(i) complaints relating to <i>home reversion plans</i> must be reported under the heading of "Lifetime Mortgage"; and</p> <p>(ii) complaints relating to <i>home purchase plans</i> must be recorded under the heading of "Other Regulated Mortgage".</p> <p><u>Expired</u></p>	1 April 2007 to 31 December 2008	<i>Commencement</i>
19	<i>DISP</i> 1.10.1CR and <i>DISP</i> 1.10.1DG	R	<i>Firms</i> that submit a joint report before 31 July 2009 must clearly indicate in writing to the FSA the <i>firms</i> on whose behalf the report is submitted. <u>Expired</u>	From 14 December 2007 to 31 July 2009	14 December 2007

20	<i>DISP</i> 1.6.4R	R	Where a complainant indicates after 6 July 2008 their acceptance of a response sent by the <i>respondent</i> under <i>DISP</i> 1.6.4R before 6 July 2008 then that response need not have referred to the ultimate availability of the <i>Financial Ombudsman Service</i> . <u>Expired</u>	From 6 July 2008 to 6 September 2008	6 July 2008
...					

TP 1.2 Table Fee tariffs for industry blocks [deleted]

Industry Block	Tariff base
1—Deposit acceptors	Number of accounts relevant to the activities in <i>DISP</i> 2.3.1R
2—Firms that undertake insurance activities, subject to prudential regulation only (excluding firms in blocks 13 & 15)	Relevant annual gross premium income
3—Society of Lloyd's	Flat fee
4—Firms that undertake insurance activities, subject to both prudential and conduct of business regulation (long term life insurers) (excluding firms in block 15)	Relevant adjusted annual gross premium income
5—Fund managers (including those holding client money/assets and not holding client money/assets)	Relevant funds under management
6—Operators, Trustees and Depositaries of collective investment schemes	Flat fee
7—Firms dealing as principal	Number of relevant traders
8—Advisory arrangers, dealers or brokers (holding or controlling client money and/or assets)	Number of relevant approved persons (controlled functions 21, 22, 24, 25, 26)
9—Advisory arrangers, dealers or brokers (not holding or controlling client money and/or assets)	Number of relevant approved persons (controlled functions 21, 22, 24, 25, 26)
10—Corporate finance advisers	Number of relevant approved persons (controlled function 23)
11—Execution only arrangers, dealers or	Flat fee

brokers	
12—Advisory only firms	Number of relevant approved persons (controlled functions 21, 22, 24, 25)
13—Cash plan health providers	Flat fee
15—Friendly Societies whose tax exempt business represents 95% or more of their total relevant business	Flat fee

TP 1.3 [deleted]

<p>The industry blocks in Table 2 are the same as the equivalent activity group set out in part 7 of FEES 4 Annex 1R.</p>
<p>Where the tariff base in the table is defined in similar terms as the tariff base for the equivalent activity group set out in part 7 of FEES 4 Annex 1R, it must be calculated in the same way as that tariff base except that it takes into account only the <i>firm's relevant business</i>.</p>

...

Schedule 2 Notification requirements

2.1 G ...

Handbook reference	Matter to be notified	Contents of notification	Trigger event	Time allowed
...				
FEES 5.4.1R	Relevant business conducted	The total amount of <i>relevant business</i> (measured in accordance with the appropriate tariff base(s)) which the <i>firm</i> conducted as at or in the year to 31 December as appropriate, in relation to the tariff base for each of the relevant <i>industry blocks</i> set out in FEES 5 Annex 1R	N/A	By the end of February each year

Delete Schedule 4 (Powers Exercised) and replace with the following text. The text is not underlined.

Sch 4 Powers exercised

4.1	G	The following powers and related provisions in or under the <i>Act</i> have been exercised by the <i>FSA</i> to make the <i>rules</i> in <i>DISP</i> :
		Section 138 (General rule-making power)
		Section 139(4) (Miscellaneous ancillary matters)
		Section 150(2) (Actions for damages)
		Section 156 (General supplementary powers)
		Section 226 (Compulsory jurisdiction) (including as applied by regulation 125 of the <i>Payment Services Regulations</i>)
		Section 226A(7) (Consumer credit jurisdiction)
		Section 229 (Awards)
		Section 234 (Industry funding)
		Section 316(1) (Direction by Authority)
		Paragraphs 13 (Authority's procedural rules), 16B (Procedure for complaints etc) and 16D (Enforcement of money awards) of Schedule 17 (The Ombudsman Scheme)
		Article 15 (Record-keeping and reporting requirements relating to relevant complaints) of the <i>Ombudsman Transitional Order</i>
		Article 9 (Record-keeping and reporting requirements relating to relevant transitional complaints) of the <i>Mortgage and General Insurance Complaints Transitional Order</i>
4.2	G	The following power in the <i>Act</i> has been exercised by the <i>FSA</i> to give the <i>guidance</i> in <i>DISP</i> :
		Section 157(1) (Guidance)
4.3	G	The following additional powers and related provisions have been exercised by the <i>FSA</i> to make the <i>guidance</i> in <i>DISP</i> :
		Regulation 93 (Guidance) of the <i>Payment Services Regulations</i>

4.4	G	The following powers and related provisions in the <i>Act</i> have been exercised by the <i>FOS Ltd</i> to make the rules in <i>DISP</i> :
		Section 226A (Consumer Credit Jurisdiction)
		Section 227 (Voluntary Jurisdiction)
		Section 229 (Awards)
		Section 230 (Costs)
		Paragraphs 8 (Guidance), 14 (The scheme operator’s rules), 15 (Fees), 16B (Consumer Credit Jurisdiction: Procedure for complaints etc) and 18 (Terms of reference to the scheme) of Schedule 17 (The Ombudsman Scheme)

4.5	G	The powers to make rules relating to the Ombudsman Scheme are shared between the <i>FSA</i> and the <i>FOS Ltd</i> . <i>FOS Ltd</i> ’s rules are subject to <i>FSA</i> consent or approval. The rules made exclusively by <i>FOS Ltd</i> are:										
		<table border="1"> <tr> <td style="vertical-align: top;"><i>DISP</i> 2</td> <td>2.4.1R 2.5.1R 2.5.5R 2.6.3R 2.6.4R 2.7.9R(3)</td> </tr> <tr> <td style="vertical-align: top;"><i>DISP</i> 3</td> <td>All the rules in this chapter, except for <i>DISP</i> 3.7.4R (which is made by the <i>FSA</i>) and <i>DISP</i> 3.7.12R (which is made by the <i>FSA</i> and the <i>FOS Ltd</i>).</td> </tr> <tr> <td style="vertical-align: top;"><i>DISP</i> 4</td> <td>All rules</td> </tr> <tr> <td style="vertical-align: top;"><i>FEES</i> 5</td> <td>5.1.6R 5.5 (all rules) 5.7.2R 5.7.3R 5.9.1R</td> </tr> <tr> <td style="vertical-align: top;"><i>FEES</i> 5</td> <td>Annex 1R parts 3 and 4</td> </tr> </table>	<i>DISP</i> 2	2.4.1R 2.5.1R 2.5.5R 2.6.3R 2.6.4R 2.7.9R(3)	<i>DISP</i> 3	All the rules in this chapter, except for <i>DISP</i> 3.7.4R (which is made by the <i>FSA</i>) and <i>DISP</i> 3.7.12R (which is made by the <i>FSA</i> and the <i>FOS Ltd</i>).	<i>DISP</i> 4	All rules	<i>FEES</i> 5	5.1.6R 5.5 (all rules) 5.7.2R 5.7.3R 5.9.1R	<i>FEES</i> 5	Annex 1R parts 3 and 4
<i>DISP</i> 2	2.4.1R 2.5.1R 2.5.5R 2.6.3R 2.6.4R 2.7.9R(3)											
<i>DISP</i> 3	All the rules in this chapter, except for <i>DISP</i> 3.7.4R (which is made by the <i>FSA</i>) and <i>DISP</i> 3.7.12R (which is made by the <i>FSA</i> and the <i>FOS Ltd</i>).											
<i>DISP</i> 4	All rules											
<i>FEES</i> 5	5.1.6R 5.5 (all rules) 5.7.2R 5.7.3R 5.9.1R											
<i>FEES</i> 5	Annex 1R parts 3 and 4											

Sch 5 Actions for damages for contravention under section 150 of the Act

...

5.2

G

...					
5 Funding	-	-	Yes	-	-

Annex I

Amendments to the Compensation sourcebook (COMP)

In this Annex, striking through indicates deleted text.

Sch 4 Powers exercised

4.1	G	The following powers and related provisions in or under the <i>Act</i> ... have been exercised by the <i>FSA</i> to make the <i>rules</i> in <i>COMP</i> :
		...
		Section 223 (Management expenses)
		...

Annex J**Amendments to the Listing Rules sourcebook (LR)**

In this Annex, underlining indicates new text and striking through indicates deleted text.

Comes into force on 31 December 2009

- 9.8.6 R In the case of a *listed company* incorporated in the *United Kingdom*, the following additional items must be included in its annual financial report:
- ...
- (3) a statement made by the *directors* that the business is a going concern, together with supporting assumptions or qualifications as necessary, that has been prepared in accordance with ~~Going Concern and Financial Reporting: Guidance for Directors of listed companies registered in the United Kingdom, published in November 1994~~ Going Concern and Liquidity Risk: Guidance for Directors of UK Companies 2009, published by the Financial Reporting Council in October 2009;

Annex K

Amendments to the Perimeter Guidance manual (PERG)

In this Annex, underlining indicates new text and striking through indicates deleted text.

13.6 The recast Capital Adequacy Directive

...

Q58. How do we know whether we are an exempt CAD firm and what does this mean in practice?

...

For the rules transposing these requirements and supporting guidance, see ~~the Interim Prudential Sourcebook for Investment Businesses (Exempt CAD Firms) Instrument 2007~~ IPRU(INV) and in particular sections 13.1 and 13.1A and chapter 9. ...